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# Near East/North Africa Report

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17 August 1982

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No. 2603

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ISLAMIC AFFAIRS

BRIEFS

ISLAMIC WORLD LEAGUE, MALDIVES AGREEMENT--An agreement was signed today between the Muslim World League and the Republic of Maldives whereby the Islamic World League will establish an office with diplomatic capacity in Maldives. The Maldivian minister of education and the Islamic World League assistant secretary general signed the agreement. [GF071159 Riyadh Domestic Television Service in Arabic 1830 GMT 6 Aug 82]

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ACHIEVEMENTS OF GULF COOPERATION COUNCIL REVIEWED

Comments by Area Leaders

Riyad AL-RIYAD in Arabic 25 May 82 Supplement p 13

[Article by Nasir al-Qar'awi: "First Anniversary of Cooperation Council Celebrated; These People Speak to AL-RIYAD in Interviews on Procession of Gulf Action; Prince Nayif: Cooperation Council Reflects Vigilant Will and Collective Responsibility; Security Cooperation Is Present But Not in Required Manner; Bilateral Security Agreements Constitute Minimum Limit of Proposed Comprehensive Agreement To Be Discussed in Month of Muharram; Prince Sa'ud al-Faysal: Creation of Council Is Final Outcome of Number of Common Factors and Bases; Council's Fundamental Goal Is To Realize Security and Stability for Gulf Citizen and To Secure Means of Prosperity and Progress for Our Society; Council Constitutes Element of Strength to Resist Endeavors of Major Powers to Seek Centers of Influence and To Find Means To Dominate Area; Bisharah: Member Countries Have Acknowledged Responsibility; Dr al-Quwayz: What Has Been Accomplished Is Short of Our Aspirations but What We Have Achieved Is Considered Record Accomplishment; al-Subhi: We Have Focused on Arab Affiliation Because We Are Indivisible Part of It"]

[Text] His Royal Highness Prince Nayif ibn 'Abd al-'Aziz, the minister of interior, has stated that the establishment of the Gulf Cooperation Council reflects the vigilant will of the council member states and a responsible historic step for the unity of the area's peoples.

In a statement to AL-RIYAD on the celebration of the first anniversary of the Joint Gulf Cooperation Council, which enjoys the patronage of His Royal Highness Prince Fahd ibn 'Abd al-'Aziz, crown prince and deputy prime minister, His Highness Prince Nayif said that security cooperation exists between the council's peoples and that the security of each member state constitutes security for the other states, which is a fundamental demand in the life of the area's peoples.

Answering a question by AL-RIYAD on the role that the Joint Arab Gulf Council [as published] has played in the security area since its foundation, his highness said:

The establishment of the Cooperation Council reflects the vigilant will of the council member states and constitutes a responsible historic step that seeks to

create a formula of unity [talahum] dictated by the nature of the special relations between the area's peoples and by the international and regional conditions surrounding the area. As I see it, this unity is a necessity and an option. It constitutes strength for the Arab and Islamic nation because it is part of the strong foundation of this nation and because it complements all the forms of action for unity among the countries of the Arab nation.

As an official of one of the council member states, I believe that what the council has achieved in 1 year is a major and important accomplishment that promises good for the area. The numerous achievements scored during the council's short existence are positive indicators of the seriousness of the governments of the council member states and a definite reflection of the will for common action.

Answering a question on the joint security agreement among the council member states, his highness said: Security cooperation has existed among the council members at various levels and among various agencies--though not in the required manner--even before the establishment of the council. This cooperation emanates from fundamental given facts, including the fact that the security of each state constitutes security for the others and the fact that security and stability are a basic demand in the life of the area's peoples. Safeguarding this security and stability is a responsibility that requires ceaseless cooperation. The area's countries tried for years to conclude similar bilateral security agreements to guarantee the minimum necessary degree of cooperation against crime and against all forms and sources of evil. Agreements have actually been concluded between the kingdom and most of the council members. In their last meeting in Riyadh, the ministers of interior decided that foundation of the Cooperation Council and its sublime goals require a security agreement that goes beyond the bilateral agreements and reflects the new situation of the area's states and developments in the various aspects of their political, economic and social cooperation. This is why the ministers decided to draft a comprehensive agreement, with the bilateral agreements forming its minimal limit. The council's General Secretariat has been entrusted with preparing this draft agreement and presenting it to the next conference of the ministers of interior, which will be held in the coming month of Muharram, God willing. We hope that this goal will be realized. We also hope that God will protect this area and our Arab and Islamic nation from all anxiety and unrest. We are confident that with the adherence of the area's inhabitants to their creed and their faith in their intrinsic ability and strength, they will safeguard their security and will move forward to build a better future for the peoples.

#### Prince Sa'ud al-Faysal, Minister of Foreign Affairs, Speaks to AL-RIYAD

His Royal Highness Prince Sa'ud al-Faysal, minister of foreign affairs, has also spoken to AL-RIYAD on the celebration of the first anniversary of the Joint Gulf Cooperation Council, saying:

On this day when we celebrate the passage of 1 year since the establishment of the Cooperation Council of the Arab Gulf States, we must pause to review the council's activities to familiarize ourselves with what has been accomplished at the level of joint Gulf action. The gains the Council has been able to

achieve in just 1 year, which is not a long period in the life of nations and societies, are viewed as a clear accomplishment in building the edifice of cooperation among the Arab Gulf states.

The Cooperation Council has emerged as a final outcome of a number of common factors and bases that bind its members with the aim of establishing coordination and cooperation among its member states to achieve a fundamental goal, namely, the goal of security and stability and the means of progress and prosperity for the Gulf citizen.

It was evident from the beginning that the Cooperation Council had set economic integration among its member states as the mainstay of joint Gulf action. God be thanked, numerous accomplishments have been realized in this respect. These accomplishments have reassured us of the soundness and correctness of the direction and of the steps that have been taken to turn this integration into a tangible and visible reality.

The six member states of this council have also found that other requirements of collective action need to be discussed, that results have to be achieved through them and that there are given facts that dictate cooperation and coordination in the sphere of defense and security. The council has responded with complete flexibility and with a completely positive attitude to these requirements and has demonstrated its ability to adapt to all phases of joint Gulf action and to respond to any developments or given facts imposed by the course of this action. This has led to agreement on charting and unifying currency, oil and commercial policies, all of which have received great attention from the member states.

His highness added: In their efforts to establish cooperation among them in these spheres, the council members have not disregarded for a single moment the truth of their belonging to a greater Arab and Islamic entity. Rather, the member states have turned their efforts into a model for greater integration among the various parts of the Arab world and, thereafter, among the various parts of the Islamic world.

The Cooperation Council has underlined the Arab and Islamic direction and identity of its six member states. It thus constitutes a basic block in the edifice of Arab and Islamic solidarity. Proceeding on this premise, the six states have reaffirmed their support for the Palestinian people and their just struggle to restore their legitimate rights, especially their right to establish their independent state on their own soil and under the leadership of the PLO, their sole legitimate representative. The Cooperation Council has also stressed that its member states are not a party to any Arab conflict and that the Gulf's security cannot be complete without ending the Arab conflicts and mobilizing the capabilities and providing the resources to confront the Zionist challenge. Proceeding on the premise of Islamic belonging, the six states have urged the need to end the fighting between Iraq and Iran and for them to settle their dispute peacefully within the framework of the commendable efforts of the Islamic Mediation Committee, which was formed by the third Islamic conference held in venerable Mecca.

The council has also shown that it constitutes an element of strength in fighting the attempts of the major powers to seek spheres of influence and in confronting the means of domination to which these powers resort. This has required collective efforts in the political, security and defense spheres, considering that the responsibility of defending the area and safeguarding its security is primarily the responsibility of the Gulf states. In view of all of this, if the foundation of the council constitutes a historic step, then it places on our shoulders as states and as citizens responsibilities that we must bear so that the council can achieve its desired goals. The real situation in all of the spheres of cooperation emanating from this council since its foundation has proven that its six members have risen to the level of the responsibility entrusted to them and this has provided definite indications of the success of this historic march, with God's help.

The continued march of the six states on this path with firm and confident steps will ultimately achieve the real unity entrenched in the conscience of every citizen of this area. This unity is a major goal that still constitutes the dream of all Arab generations everywhere.

We implore almighty God to give us the strength and resolution to continue our march toward the realization of our desired aspirations and to crown our endeavors with success.

#### 'Abdallah Bisharah Speaks to AL-RIYAD

'Abdallah Bisharah Ya'qub, the Gulf Cooperation Council secretary general, has spoken to AL-RIYAD on this occasion about the council's accomplishments during the first year of its life, saying:

At the moment their majesties and highnesses were signing the document establishing the Gulf Cooperation Council, it was my belief that a Gulf edifice was being built and that this edifice must work ceaselessly for what the Gulf citizen wants.

It is my opinion that the Cooperation Council bears responsibility for securing the area's strong and firm bonds. The area's bonds mean strong, coordinated and cohesive security, unified economic development according to which any barriers, discrimination or estrangement are eliminated, strong political coordination and a unified position in the face of dangers—a unified position instead of the old approach we employed to confront these dangers, namely, the individual approach that left each state to face the danger according to its own concepts and capabilities. Moreover, it is my belief that the directions and philosophy of the Gulf Cooperation Council, which has been founded to achieve the goals that I have pointed out, must be tied to the Arab nation, to the Islamic world, to the nonaligned group and to the international issues that affect us directly or indirectly. If the Gulf Cooperation Council is a strong and serious endeavor for which the elements of support, including the resolution of the leaders and the will of the citizen, have been secured, then this endeavor must turn the Gulf's support for Arab causes into united and all-out support, meaning that the approach of separate and individual support and backing must be replaced by the approach of strong and unified backing because this approach guarantees the

Gulf's contribution to the Arab causes. When their majesties and highnesses were signing the document founding this council, it was my belief that the council was not just a Gulf demand and that its benefits were not just for the Gulf people. It was my belief, hope and conviction that the council is an Arab demand and that its benefits will not be confined to the Gulf but will extend to the Arab, Islamic, human and international levels.

We say at the Cooperation Council that it is true that we are focusing in this stage on Gulf issues primarily, especially economic issues. Our premise is that unified Gulf action should [proceed hand in hand with] Arab development and should support it. What kind of approach have we followed in our action to realize these goals? We did not start with the complex and confusing issues or with issues that are far from each other or that could drive us apart. We started with the issues on which there was consensus. We started with the economic issues and the area will turn into a unified Gulf market. Transformation of the area into an economically and commercially integrated unit [was initiated in the agreement] signed by their majesties and highnesses in their second meeting in Riyadh nearly 7 months ago. This agreement is now in force and the committees have started transforming it from a general principle into a tangible reality. The best way to realize accomplishments and achieve goals is to link interests, to eliminate the imaginary barriers that have driven them [Gulf states] apart and that previously created external conditions that had nothing to do with the Gulf peoples. Exploring what the citizen wants, efforts were begun to achieve freedom of movement and of ownership and to make the Gulf citizen feel that he is in his country and on his own grounds, even though the location may differ. We have made great strides in this respect and I hope that the fruits will be tangible in a short time.

The other aspect is that I believe that we in the Gulf, as a result of political coordination and political ties, have provided the Gulf with a factor of stability through the Cooperation Council because the council has become a framework and a vessel that offers this stability and this relaxation [irtiyah] that is being experienced by the area. I don't believe that this relaxation and this stability could have been secured under the shadow of the crushing problems being witnessed by the area were it not for the existence of the Cooperation Council. On the other hand, it is my opinion that the Cooperation Council has contributed to the desired and hoped for stability. This factor has also emanated from the bonds among the member states and from the political coordination. As a result of this political coordination and bond, we have initiated efforts to coordinate security and defense. The pressure we insist on is economic and political coordination. We have found from practical experience that for the efforts within the various frameworks to be complete, coordination must be established in internal security and external defense activities because no matter how far we advance economically and how prosperous the citizen becomes, he must be guaranteed security and reassurance.

#### Assistant Secretary General for Economic Affairs Speaks to AL-RIYAD

Dr 'Abdallah al-Quwayz, the assistant secretary general for economic affairs of the Gulf Cooperation Council, has also said to AL-RIYAD in commenting on Gulf accomplishments in the economic sphere:

The truth is that [efforts in] the economic sphere started less than a year ago. The starting point was the socioeconomic goals that began to take practical form at the meeting of the ministers of industry last October. Since then, work has been going on ceaselessly. This meeting was preceded by a meeting of a number of ministerial committees and another committee at a similar level. Four or five similar technical committees grew out of those ministerial committees. It is my conviction that this accomplishment was achieved in record time. If we review the experiences undergone by other countries, we would find that they needed years before they could find the path to their goals. But we did not start from zero. There were previous agreements and there were the fraternal ties. In fact, the relations existing among the various states made it a lot easier for us.

It is true that the citizen has not yet had the fruits of what has been accomplished. But the foundations have been laid, God be thanked, and all barriers in the face of the movement of citizens between the various states have been abolished. Grounds have also been drawn up for abolishing customs fees on products transiting the member states and for engaging in all kinds of economic activity. This is short of our aspirations but the element of time must be taken into account. Even though the process of planning and coordination among the various technical agencies needs time, we have, God be thanked, been able to achieve a lot in this regard in what is considered record time.

[Question] Did you expect at the start to realize these accomplishments in this short period?

[Al-Quwayz] The main reason for this accomplishment is the political stability and understanding existing among these states. From the start, the kings and amirs gave us, the technicians, the go-ahead. Therefore, any obstacle preventing realization of the goal was necessarily a technical, not political, obstacle. This response [from the kings and amirs] has had its impact on the technical agencies and is felt by all of us.

#### Assistant Secretary for Political Affairs Speaks to AL-RIYAD

Ibrahim al-Subhi, assistant secretary general for political affairs at the Cooperation Council, has also spoken to AL-RIYAD on this occasion, saying:

I believe that the secretary general has (made an effective evaluation of the accomplishments). The same goes for his evaluation of the economic aspect and the premise of Gulf action. As for the political aspect, I cannot say that any specific accomplishment has been made. Political matters are never completely clear for the citizen. But let us begin with the basic principles or with the philosophy on whose bases the Cooperation Council has proceeded, and with the council's emphasis on many of these bases and premises. First, we have focused on the Arab belonging, considering that the Gulf area is an indivisible part of the Arab world, that we are members of the Arab League Council, that we share the Arab brothers' hopes and pains, that the goal is the same and that the danger is common. The second premise is the Islamic belonging, considering that we are an effective part of the Islamic world, that we are members of the Islamic Conference, that we contribute effectively to solving Islamic issues and that

we defend this country against the attacks or currents to which it is exposed. Then there is our international affiliation. We are also an indivisible part of the world and we contribute to its issues and ask it to contribute to ours, considering that development, stability and peace are indivisible. This world is a whole and when any of its parts is affected, all the other parts are also affected. This is why we have said that we focused on the policy of nonalignment and noninvolvement in the policy of international axes, considering that we are part of the Third World and an indivisible part of the organization of non-aligned states. Thus, our policy has been governed by four main factors: Arab belonging, Islamic belonging, international belonging and neutrality. For example, in all the meetings and conferences we have held, our efforts and our contributions stemmed from our philosophy of supporting Arab causes, especially the Palestinian issue and the determination of a fair and comprehensive solution to the issue that would guarantee the Palestinian people's legitimate rights to repatriation and to the establishment of their own government on their own soil under the leadership of the PLO, their sole legitimate representative, as well as the issue of the restoration of Jerusalem to Arab sovereignty and of giving the Palestinian citizen his legitimate rights. This is at the Arab level.

We also contributed positively to the Fez summit, where we had an independent political resolution and an independent political viewpoint. This is what we are focusing on, namely, to have an independent opinion and resolution and to contribute positively.

Regionally, we have contributed positively through our ceaseless support for all of the efforts exerted to put an end to the ongoing war between fraternal Iran and Iraq, which are actually sisters in Islam and neighbors and our sisters and neighbors as well. The efforts we have supported and backed up have come from the United Nations, the Islamic Conference Organization and the nonaligned states in an attempt to put an end to this war. We fear that the continuation of this war and its dangers will expose [the area's] security and stability to danger and that this war will, regrettably, give other countries justification and reason to interfere when they feel that their interests are exposed and that they have the right to safeguard these interests. We focus on an important factor in our foreign policy, namely, the factor of steering this area clear of international conflicts. How can we keep this area far from the international conflicts? We must create a force by exploiting all available and unavailable resources and capabilities. We have the resources. From the inception of the Council, we initiated efforts to realize this goal, the goal of having the resources and capabilities to repel any foreign danger and to deny the major powers any chance of establishing a foothold here. We are persisting in this policy of opposing any foreign intervention or invasion and any presence by the major powers in the Gulf area, the Arabian Sea or the adjacent area. These are the premises with which we started and which are actually crystallizing and taking a firm hold. The world has begun to discern this clearly. We have also contributed to healing the rift in the Arab ranks, to clearing the Arab air and restoring the Arab word and Arab ranks to their previous status. These contributions have been made either individually or collectively through contacts between one state and another or through our contacts. This was evident in the

special session held in Kuwait and which was not completed so as to provide an opportunity for contacts with the Arab brothers to adopt a unified position on many of the Arab and international issues.

#### **Review of Council Progress**

Riyadh AL-RIYAD in Arabic 25 May 82 Supplement pp 14-15

[Text] The only problem facing us for which we have found no solution is time. We are in a struggle with time. This is the condition of the work procession within the General Secretariat of the Arab Gulf Cooperation Council, according to Dr 'Abdallah al-Quwayz, assistant secretary general for economic affairs. Asked about the obstacles and problems facing the progress of common Gulf action, Dr al-Quwayz said: We are moving as fast as possible, doing what we are doing very well and very wisely. But we suffer always from a lack of time.

Two important things confirm the truth of what Dr al-Quwayz has said: First, the series of endless and constant meetings between the officials of the council member states at the level of ministers or experts. There is an annual program for the holding of such successive meetings with the aim of strengthening the Gulf's unity and bolstering the bonds as charted by the council's goals and policy.

Second, the great and numerous accomplishments realized by the ministerial councils and the committees that have been convening throughout the first year of the council's life. This unbroken chain of meetings does not so much reflect a factor of importance as it reflects the resolution and determination of the council member states to carry out common action and to look forward to the bright future.

Since the council's establishment, there have been successive meetings, contacts and visits in the Gulf capitals according to the General Secretariat's plan, which has determined the course and activities of these meetings. Following is a review of the most important meetings held throughout the first of the council's existence:

#### **Foreign Ministers Meet to Prepare for First Summit**

The ministers of foreign affairs of the council member states began their meetings in Abu Dhabi on 19 Rajab 1401 to prepare for the council summit, which had been scheduled to meet in Abu Dhabi on the 20th and 21st of the same month. The Ministerial Council's meeting focused on preparing the constitution for the Dispute Arbitration Authority, which had been approved by a committee of experts on Wednesday, the 16th of the same month. The committee also focused on the regulations pertaining to this constitution and the complementary regulations that had been approved by the ministers in Muscat. The council's secretary general was also nominated in implementation of a resolution taken by the conference of foreign ministers in Muscat. 'Abdallah Bisharah Ya'qub, a Kuwaiti, was nominated for this position.

## First Summit Conference

The proceedings of the first Gulf summit started on Monday, 21 Rajab 1401, in the presence of the kings and amirs of the council's six member states in open session. At the start of this session, the Cooperation Council's constitution was signed and the city of Riyadh was chosen as a permanent headquarters for the council. Shaykh Zayid welcomed the Gulf leaders in the name of the UAE, the host country, and expressed his hope that they would succeed in their work and help their brothers to liberate their land and the sanctities of the Arab and Islamic nation.

### His Majesty's Statement

On his arrival in Abu Dhabi, His Majesty King Khalid ibn 'Abd al-'Aziz made a statement in which he said:

I am happy to meet with my brothers the heads of the Cooperation Council member states. Our meeting will always be, God willing, a meeting of fraternity, love and goodness. I am also happy to convey the greetings of the people of the Kingdom of Saudi Arabia to their brothers the peoples of the fraternal member states of the Cooperation Council. I also wish to express my thanks to the UAE Government, led by my brother His Highness Shaykh Zayid ibn Sultan, and my thanks to the UAE people for all the warmth and deep fraternal feelings they have displayed and with which they have surrounded us, imploring God to realize for all the citizens of the council member states the prosperity, security and power they aspire to.

His majesty added: We do not doubt that the creation of this council is for the good of the area's peoples. We look forward to greater cooperation among our peoples. This cooperation and this coming together will, God willing, realize general good, prosperity, security and stability in the area and for its citizens. We also believe that this cooperation and this coming together will be in the interest of the entire Arab nation because the Gulf is an indivisible part of the Arab nation. We also expect and look forward to this gathering to be in the interest of the Islamic nation. Islam is the religion of peace and of the council member states. These states are an indivisible part of the Islamic world and the Islamic nation.

His majesty also said: I assure everyone that this gathering is working for the good of the area and does not seek to harm anybody closely or remotely, directly or indirectly. It is not a military coalition against any group and not a political axis against any forces. It is a periodic meeting between brothers who seek to work for the progress, prosperity and stability of their neighboring and loving peoples and who exert efforts for all that is likely to achieve their area's stability. This is solely their responsibility and the responsibility of their peoples who have opted to keep a watchful eye to safeguard their security, independence and sovereignty and to rely in all this on themselves within the framework of an independent Islamic policy that is neither pro-East nor pro-West.

## **Second Gulf Summit in Riyad**

The proceedings of the second summit started on Tuesday, 14 Muharram 1402 of the Hegira, with an open session followed by a closed session confined to the leaders.

His majesty the king delivered an address welcoming the brother amirs in the council and saying: I am glad to welcome you to your country and among your kinsmen and brothers. He added: We begin (today) our second meeting of the Supreme Council, imploring God with our hearts to crown our efforts with success and to enable us to continue these efforts for the good and security of our nation and for the realization of its hopes and aspirations.

At the conclusion of their conference, the Gulf Cooperation Council leaders reaffirmed their absolute support for the Palestinian people's struggle to set up their independent state on their own soil under the leadership of the PLO.

Following is the final statement of the second session of the Cooperation Council's Supreme Council:

I response to the invitation of His Majesty King Khalid ibn 'Abd al-'Aziz, king of Saudi Arabia, the second session of the Supreme Council of the Cooperation Council of the Arab Gulf States was held with God's help in the city of Riyadh in the period of 14-15 Muharram 1402 of the Hegira, corresponding to 10-11 November 1981, in the presence of their majesties and highnesses:

His Highness Shaykh Zayid bin Sultan Al Nuhayyan, president of the UAE.

His Highness Shaykh 'Isa bin Salman al Khalifa, amir of the State of Bahrain.

His Majesty King Khalid ibn 'Abd al-'Aziz Al Sa'ud, king of the Kingdom of Saudi Arabia.

His Majesty Sultan Qaboos bin Said, sultan of Oman.

His Highness Shaykh Khalifa bin Hamad Al Thani, amir of the State of Qatar.

His Highness Shaykh Jabir al-Ahmad al-Jabir Al Sabah, amir of Kuwait.

The [Supreme] Council reviewed the political, economic and security situation in the Gulf area in light of current developments and declared its resolve to continue the coordination in these spheres to confront the dangers threatening the area and to intensify contacts between the council member states to avert these dangers.

The Supreme Council also reviewed all the endeavors made by the other forces seeking to establish a foothold for themselves in the Gulf area to threaten the area's security and sovereignty and declared its rejection of these endeavors that pose a danger to the area and its people and that seek to secure the influence of the foreign forces in the area.

The Supreme Council also reasserted that the Gulf's security and stability are the responsibility of the Gulf states and expressed its opposition to attempts by the major powers to interfere in the area's affairs because such interference will subsequently involve the area in a conflict that is not compatible with the interests of its states or the will of its peoples. It also underlined the need to keep the entire area clear of international conflicts and especially free of the presence of foreign military fleets and bases, in the interest of the area and the interest of security and peace in the world.

The council also discussed the situation in the Middle East and reaffirmed its absolute support for the Palestinian people's struggle for their inalienable right to determine their future independently and to set up their independent state on their own soil under the leadership of the PLO.

The Supreme Council again expressed its belief that the only means of achieving a just solution in the Middle East lies in Israel's withdrawal from all the occupied Arab territories, including venerable Jerusalem, and in elimination of the Israeli settlements built on Arab territories.

The council reviewed Arab and international reactions to the peace principles declared by the Kingdom of Saudi Arabia regarding a just and comprehensive solution for the Palestinian issue and has decided to ask the Kingdom of Saudi Arabia to include these principles on the agenda of the 12th Arab summit scheduled to be held in Morocco with the aim of crystallizing a unified Arab position toward the Palestinian issue.

The council also reviewed the current Arab situation, its military responsibilities, and the need to achieve Arab solidarity, to eliminate conflicts among fraternal Arab states, to renounce division and to underline the unity of efforts in accordance with the principles contained in the constitution and stating that the Cooperation Council is an indivisible part of the Arab nation,

The council decided that the member states shall exert real efforts to achieve the unity of Arab ranks.

The council discussed the ongoing conflict between Iraq and Iran and the threat it poses to the security and stability of the entire area and expressed its hope that the Islamic mediation will be crowned with success, reaffirming its support for all mediations, including those emanating from the Islamic Conference, the nonaligned states and the United Nations.

The council reviewed the situation in Afghanistan and the dangers it poses not only to the area's security and independence but also to world peace and reaffirmed its support for the resolutions of the Islamic Conference in this regard.

The council further reviewed the economic agreement initialed by the ministers of finance and economy in the city of Riyadh on 8 June 1981 and discussed by the Ministerial Council convened in al-Ta'if from 2-3 of Dhu al-Qi'dah 1401, corresponding to 31 August-1 September 1981.

The Supreme Council, in taking this important step, was inspired by the citizen's aspirations for eliminating the barriers among the member states and for bolstering the ties among the area's people on firm bases that lead to the area's unity, out of its awareness that it is the ideal way to secure progress and prosperity for all of the council member states.

The council also reviewed the issue of military cooperation among its member states and has decided to invite the ministers of defense to meet to determine the priorities that the Cooperation Council member states need to secure their independence and sovereignty.

The Supreme Council decided that its third session will meet in Bahrain in the first week of November 1982, corresponding to the third week of Muharram 1402 of the Hegira.

The council expressed its thanks, appreciation and gratitude to His Majesty King Khalid ibn 'Abd al-'Aziz, Crown Prince Fahd ibn 'Abd al-'Aziz and the Government of the Kingdom of Saudi Arabia for the hospitality and the warm reception given the heads and members of the delegations participating in the meetings. This had a most favorable effect on crowning the proceedings of this fraternal meeting with success. We wish his majesty and the crown prince continuing health and wish the Saudi people continuing progress and prosperity.

Issued in Riyadh on 15 Muharram 1402 of the Hegira, corresponding to 11 November 1981.

#### At Security and Military Level: Unified Security Agreement and Comprehensive Military Coordination

##### Military Cooperation

Within the framework of expanded Gulf cooperation, the chiefs of staff [of the armies of the Gulf states] held their first meeting in Riyadh to discuss military coordination among the council member states and to prepare for the conference of the council's ministers of defense in Riyadh.

His Highness Shaykh Khalifa bin Salman Al Khalifa, prime minister of Bahrain, asserted that the Gulf Cooperation Council is capable of realizing the aspirations of the area's citizens for cooperation and coordination among the Gulf states. His highness also expressed the belief that the area will witness important political developments shortly.

He also said that the foundation of the Gulf Cooperation Council is an embodiment of the reality in which the area lives and that this reality has been placed within an organized framework that enhances the effectiveness and dynamic quality of the cooperation among the area's states.

His highness further said: We all place great hope in the recently founded Cooperation Council. I am confident that this council is capable of achieving our aspirations for cooperation and coordination among the Gulf states.

His highness added that the area's citizens attach great hopes to the coming meeting of the ministers of defense of the Gulf Cooperation Council and to the security and defense cooperation and coordination expected to be achieved among the area's states.

He said: We know the dimensions of the dangers to which our area is exposed and we are fully aware of the dimensions of the international conflict surrounding us. We believe firmly that the right confrontation lies in our depending on our own strength and on defending ourselves by ourselves. Can this be achieved without security and defense coordination among us?

His highness pointed out that the talk about security coordination means primarily that the area's citizens should live in security, without fear, and in stability, without confusion.

His highness asserted that a stable and secure society is a society that can safeguard the prosperity of its sons. Without stability, there can be no prosperity.

His highness the prime minister of Bahrain declared his country's rejection of the policy of axes and asserted that the area's reliance on itself is its path to success and the only way for it to protect itself.

His highness also spoke of the bridge that will link Bahrain with the kingdom, asserting that this bridge will be a factor in enhancing the unity and ties between the two fraternal peoples and the sons of the one family, half of whose members live in Bahrain and the other half in the Kingdom of Saudi Arabia.

His highness pointed out that as a meeting point, the bridge means complete and direct contact between the Arab Peninsula and the Gulf area at a time when we seek to bolster common action within the framework of the Gulf Cooperation Council.

His highness Shaykh Khalifa lauded the efforts exerted by the kingdom for Bahrain in particular and for the Gulf states and the Arab and Islamic world generally. He also expressed his happiness at the economic and political developments linking the State of Bahrain to the kingdom of Saudi Arabia.

His Royal Highness Sultan ibn 'Abd al-'Aziz, [Saudi] minister of defense and aviation, stated that the meeting of the ministers of defense is nothing but an extension of the common cooperation that exists among the Gulf states.

His highness said that the main issue before the ministers is the issue of military and security cooperation among the council member states in the interest of the area and of all its peoples.

His highness further stated that the conference has set as its target a unified strategic plan to defend the area and its resources.

His Royal Highness Prince Sultan ibn 'Abd al-'Aziz, minister of defense and aviation, asserted that the Gulf area's security and stability are a collective

responsibility shouldered by all of the member states of the Gulf Cooperation Council. He said that regional and international changes more than ever before require that we devote national efforts, capabilities and resources and coordinate at the highest levels to lay down the bases of collective action capable of insuring the safety and sovereignty of the member states.

#### Security Aspect

In the sphere of Gulf security, the ministers of interior of the Cooperation Council member states held their first conference in Riyadh. The Gulf's internal security and enhancement of security cooperation and coordination among the Gulf states were discussed at the conference. All of the member states underlined the importance of the Gulf's security and of sparing the Gulf citizen any crises or apprehensions that may hamper his natural progress.

His Royal Highness Prince Nayif ibn 'Abd al-'Aziz said in comment on this issue: Security cooperation among the Gulf states existed even before creation of the Gulf Cooperation Council and has now reached advanced stages. His highness was thus referring to the security agreements concluded among the area's states. Discussions are currently in progress on a unified security agreement for the council's members.

#### At Oil Level: Coordination in Oil Production, Pricing and Refining.

##### Unified Gulf Oil Policy

Regarding oil, the ministers of petroleum of the council member states held their first conference in the city of Riyadh to discuss the issue of production and pricing and alternatives.

The conference was held on 7 Rabi' al-Thani 1402 of the Hegira and decided at its conclusion to form three committees to discuss the possibility of setting up oil industries in the Sultanate [of Oman] and Bahrain, to unify the prices of the council member states and to evaluate the oil situation.

A committee from the ministries of petroleum of the Gulf Cooperation Council member states is conducting, on commission of the respective ministers, an expanded field study on the oil market.

Dr 'Abdallah al-Quwayz, assistant secretary general for economic affairs at the Gulf Cooperation Council General Secretariat, stated that the ministers have agreed on the procedure according to which the model for the study is to be conducted. The secretariat has been entrusted to implement this, provided it is defined periodically by measuring the rates of disposal and demand and the levels and fluctuation and change of prices from time to time in each of the council member states. Dr al-Quwayz said that the study will include all basic oil products, mixed oils, gasoline and diesel.

He added that the second type is a study on the refined products in the world markets. This is the issue for which a meeting was held at the headquarters of the General Secretariat in Riyadh on 3 and 4 May. The meeting was attended

by the chairmen of the national oil companies who focused on the refined products in the world markets and on concluding contracts for the purchase of technology to produce the refined products, such as refineries, storage facilities and storage tanks.

Dr al-Quwayz, assistant secretary general for economic affairs at the Gulf Cooperation Council General Secretariat, also discussed the Gulf meetings within the framework of the council, observing that no exclamation or question marks should rise regarding these meetings, considering that this is the council's method of work, which focuses on meetings both announced and unannounced.

He said that we are now in the phase of linking the establishments of the council member states and that this requires technical consultations, higher level consultations and meetings by the various committees in the member states within the chain of ceaseless meetings agreed on throughout the last year. Dr al-Quwayz lauded the accomplishments achieved so far by common Gulf action and the achievements of the council in the past period. He said: We have succeeded, God be thanked, in realizing much of what we have been striving for and we are optimistic that the accomplishments will be for the good and prosperity of the Gulf citizens.

The General Secretariat of the Gulf Cooperation Council set the schedule for the ministerial, technical and subsidiary meetings that will take place to discuss implementation of the common Gulf cooperation plan and policy.

The General Secretariat notified the member states of the dates of the coming meetings up to the end of the current month of Sha'ban. The secretariat is currently arranging meetings with specialists in the member states to discuss with them coordination of the proposed dates.

#### Linking Various Parts of Area

In communications and transportation, the ministers of communications in the Gulf Cooperation Council member states held their conference in Muscat, the Sultanate of Oman, on the 8th of last Rajab. At the conference, the ministers agreed to link council member states with each other directly through a network of railroads and highways and to coordinate their communications and their port traffic and unloading activities at the ports of the member states.

Dr al-Quwayz pointed out that the ministers discussed in their conference establishment of the following:

A Gulf union for highway and maritime transportation.

Unification of highway construction standards.

Cooperation in fighting marine pollution in Gulf ports.

Operation of regular land routes between council member states and the Gulf ports.

The means of fighting sea piracy.

A Gulf ports union.

A meeting for the port agencies and preparation and discussion of a plan for sea rescue.

Establishment of a naval training center.

A permanent civil aviation committee.

Dr al-Quwayz pointed out that officials of the ports in the Gulf member states will meet 19 and 20 July to discuss coordination and cooperation among the ports of the council member states.

#### Specialized Committees

"Out of their awareness of the inevitability of economic integration between their states and of social merger between their peoples, they [Gulf Cooperation Council leaders] believe that the phased circumstances experienced by their states and the similar issues and problems they are encountering, as well as the similarity of their economic and social systems, dictate the need to lay down the foundations, to set up the organizations and to create the agencies that lead to transforming this integration and this social merger into a tangible reality.

"To implement and realize these objectives, and in accordance with article 4 of the constitution, they have decided to set up specialized committees in the manner demonstrated in detail in the appended working paper approved by the Supreme Council.

"Their majesties and highnesses have reviewed the current situation in the area and have reasserted that the area's security and stability are the responsibility of the area's peoples and states and that this council reflects the will of these states and their right to defend their security and to safeguard their independence. They have also reaffirmed their rejection of any foreign intervention in the area, regardless of its source, and stressed the need to keep the entire area far from the international conflicts, especially from the presence of foreign military fleets and bases, in the interest of the area itself and of the world. They have declared that the guaranteeing of Gulf security is tied to the achievement of peace in the Middle East and that this underlines the need for a just solution to the Palestinian problem--a solution that guarantees the legitimate rights of the Palestinian people, including their right to repatriation and to set up their independent state and that insures Israeli withdrawal from all the occupied Arab territories, especially from venerable Jerusalem.

"Their majesties and highnesses have discussed the serious situation emanating from the escalating Zionist aggression against the Arab nation and have discussed in a spirit of pan-Arab responsibility Israel's persistence in violating the sovereignty and independence of fraternal Lebanon, its brutal bombardment of Lebanese cities and villages and of Palestinian camps, the war of annihilation it is waging against the Palestinians, its attacks against the Arab deterrence forces and its threats against fraternal Syria. They have reaffirmed their

full support for Syria and have appealed to all sides in Lebanon to renounce their differences, to stop the bloodshed on Lebanese soil and to begin negotiations for peace within the framework of Lebanese legitimacy.

"Their majesties and highnesses support the efforts exerted to end the Iraq-Iran war by virtue of its being one of the problems posing a threat to the area's security and raising the potential for foreign intervention in the area. Their majesties and highnesses have underlined the need to double the efforts to find a final solution to the conflict.

"Their majesties and highnesses have also reaffirmed their adherence to the Arab League charter and the resolutions of the Arab summits, have reassured their support for the Islamic Conference Organization and their adherence to its resolutions and have underlined their adherence to the principles of non-alignment and the UN Charter.

"In response to the invitation of His Majesty King Khalid ibn 'Abd al-'Aziz, the king of Saudi Arabia, it has been decided to hold the second meeting in the city of Riyadh in Muharram 1402 of the Hegira, corresponding to the first half of November 1981."

Issued in Abu Dhabi on 22 Rajab 1401 of the Hegira, corresponding to 26 May 1981.  
[Presumably, this is the statement issued at the first summit of the Arab Gulf Cooperation Council.]

Ministerial meetings and meetings by specialized committees then followed in succession to implement the provisions of the council's constitution and to translate its goals into reality.

Commenting on the foundation of the council, His Highness Prince Fahd ibn 'Abd al-'Aziz said that the kingdom will work vigorously with the sister member states of the Gulf Cooperation Council to develop their relations with each other and to achieve the goals set by the council. His highness said this in an address to the ministers of finance of the member states who held their first meeting in Dahran on 16 Rajab 1401 of the Hegira to discuss the draft unified economic agreement for the council member states. A number of experts from the council member states had drafted the provisions of the agreement, which was then initialed by the ministers of finance of the council member states, namely: Shaykh Muhammad Aba al-Khayl, [Saudi] minister of finance and national economy; 'Abd al-Latif al-Hamad, Kuwaiti minister of finance; Ibrahim 'Abd al-Karim, the Bahrain minister of finance and national economy; Ahmad bin Sayf Al Thani, Qatar minister of state for foreign affairs; Hamdan ibn Rashid Al Maktum, UAE minister of finance and industry; and Muhammad al-Zubayr, minister of industry and commerce of the Sultanate of Oman.

The ministers have referred the draft agreement to the Ministerial Council of the Cooperation Council member states, which will convene next August so that this council can sign the agreement and then refer it to the Supreme Council when their majesties and highnesses the kings and amirs of the council member states meet in Riyadh in the coming month of Muharram.

### Aba al-Khayl: Agreement Seeks to Unify Currency

Shaykh Muhammad Aba al-Khayl, minister of finance and national economy, told AL-RIYAD after the meetings that this agreement grants Gulf citizens the full rights enjoyed by the citizens of each of the member states insofar as economic activities, residence and work are concerned. The agreement also frees trade between the member states, abolishes customs fees on exchanged goods and gives to [Gulf] means of transportation the privileges given to national means of transportation. The agreement calls for the coordination of national development plans, all phases of oil policy and the establishment of industries and industrial projects to eliminate duplication and harmful competition. The agreement also urges the member states to cling [to their rights] insofar as their public investments at home and abroad are concerned. The agreement further urges these states to coordinate their foreign aid and to seek to unify their currency and banking laws, including the unification of their currencies.

The provisions of this agreement will replace the similar provisions contained in bilateral agreements because some of these bilateral agreements contain economic provisions as well as other provisions. The provisions contained in this unified agreement will replace similar provisions contained in any other agreement.

His excellency the minister added that this agreement will have its impact on the integrated economic growth of the area's states and will help speed the realization of their development goals because these states have fundamentally similar economies. They are also similar in the geographic and demographic respects. Therefore, cooperation in the sphere of common economic development is easy to achieve and is essential at this time.

Aba al-Khayl added that the agreement will take into account coordination in drawing up the 5-year plans of the member states so that there will be no duplication in the projects belonging to each state.

Answering a question on currency, his excellency said that the economic agreement is a step toward realizing integration. We can then talk of the unification of currency in the next few years.

The minister added that the dollar's high price will reflect positively on the economies of the states dealing with the dollar.

### Bisharah: Backbone of Gulf Action

'Abdallah Bisharah, the Gulf Cooperation Council secretary general, said in an exclusive statement to AL-RIYAD that the experts who met 2 days ago [as published] prepared a draft agreement that has been presented to the ministers of finance and national economy who reviewed this agreement article by article and have initialed it after this examination. The agreement will be submitted to the Ministerial Council, comprised of the ministers of foreign affairs of the council member states, for approval.

Bisharah also told AL-RIYAD that the ministers of foreign affairs will meet at the end of August to study and sign the [draft] agreement and then to present it to their majesties and highnesses the kings and amirs in the Supreme Council for final ratification and signing.

Bisharah further said that the Ministerial Council has not yet determined the place for its meeting but will do so shortly. He added that the final signing of the agreement by their majesties and highnesses the leaders of the council member states will take place at the conference scheduled to be held in Riyadh.

Bisharah added that after the Supreme Council meeting, several committees formed by this council at its meeting in the city of Abu Dhabi, including the Social Planning Committee, will convene. God willing, these committees will meet at the time decided by the council member states. But the wheels of action have already begun to turn according to well-studied plans and on strong bases. What is important is how to benefit from the strong current and from the impetus gained in the direction of achieving the Cooperation Council's goals and the aspirations and success that we desire to realize the aspirations of the area's people wherever they live.

Regarding the secretariat's role, Bisharah said: This is still in the formative stage and it is unfair to overburden the secretariat at this time. However, the secretariat has a fundamental role, as stated in the Supreme Council's constitution, namely, to follow up and coordinate implementation of the agreement. The agreement is the basis and the backbone for the Gulf action in the coming phase because it covers all aspects of the economic activity, transportation affairs, energy affairs and all spheres of Gulf cooperation. All these spheres are reflected in the draft of this agreement. Within this framework, the General Secretariat's role is that of follow-up, implementation and coordination. It is really a major role. Of course, the secretariat is in the formative and preparatory phase.

The Supreme Council has decided to abolish similar bilateral agreements. This [unified economic] agreement regulates the relations among member states and has nothing to do with the outside world. As for the oil policy, a resolution adopted by the Supreme Council in Abu Dhabi calls on the ministers of foreign affairs and ministers of oil to meet to establish coordination in formulating a unified oil policy, including production. Five committees were also formed by the Supreme Council at its meeting in the City of Abu Dhabi. These committees will meet in the future. There is also a resolution calling on the Ministerial Council, which will meet in the kingdom on the eighth month in accordance with a Supreme Council resolution, to exchange views on the political and security conditions in the area.

#### Gulf Agreement: Unified Economic Agreement Among Cooperation Council Member States

With the help of God,

In accordance with the constitution of the Arab Gulf Cooperation Council urging firmer rapprochement and stronger ties;

Out of their desire to develop, expand and bolster their economic ties on strong bases for the good of their peoples;

And to coordinate and unify their economic, financial and currency policies, their trade and industrial legislation and their customs laws;

The governments of the member states of the Arab Gulf Cooperation Council have agreed to the following:

#### Chapter 1: Trade Exchange

##### Article 1

1. The member states shall permit the import of agricultural, animal and industrial products and products from native natural resources and shall permit the export of such products to other member states.

2. All agricultural, animal and industrial products and products from native natural resources shall be treated as national products.

##### Article 2

1. All agricultural, animal and industrial products and products from native natural resources shall be exempted from customs fees and similar fees.

2. Monies collected for specific services, such as warehousing, storage, shipping, transportation or unloading charges, shall not be considered fees if such charges are levied on national products.

##### Article 3

1. For industrial products to gain classification as of national origin, the added value resulting from manufacturing of these products shall not be less than 40 percent of the value of the final product. It is also conditional that citizens of the member states own no less than 51 percent of the industrial establishment manufacturing the product.

2. Every commodity enjoying exemption in accordance with this agreement shall be accompanied by a certificate of origin authenticated by the government agency concerned.

##### Article 4

1. The member states shall act to set a unified minimum customs tariff to be applied vis-a-vis the outside world.

2. One of the goals of unifying the customs tariff will be the goal of protecting national products in the face of competing foreign products.

3. The unified customs tariff shall be implemented gradually over a period of 5 years from the time this agreement goes into force. Agreement on the gradual arrangements to realize this end shall be reached within 1 year of the said date.

## **Article 5**

The member states shall grant all facilities for the transiting of the goods of any member state to the other member states and shall exempt these goods from all kinds of taxes and fees but without violating the provisions of paragraph 2 of Article 2.

## **Article 6**

Transit passage shall be denied for goods banned in the territories of any of the member states in accordance with local laws of the state concerned. The customs authorities of the member states shall exchange lists identifying such goods.

## **Article 7**

The member states shall coordinate their commercial policies and relations with the other regional economic blocs and groupings in an endeavor to establish equal circumstances and conditions in the commercial dealings with these blocs and groupings.

To achieve this goal, the member states shall adopt the following steps:

1. Coordinate import and export policies and regulations.
2. Coordinate policies on the formation of strategic food stores.
3. Conclude joint economic agreements in cases where common benefits are realized for the member states.
4. Work to create a collective negotiating power to bolster their negotiating position vis-a-vis the foreign parties in the importing of their fundamental needs and the exporting of their main products.

## **Chapter 2: Movement of Monies and Individuals and Participation in Economic Activity**

## **Article 8**

The member states shall agree on executive regulations to insure that the citizens of the Cooperation Council member states are treated in any member state like its own citizens, without any discrimination or distinction, in the following aspects:

1. Freedom of movement, work and residence.
2. The right to ownership, inheritance and bequeathal.
3. Freedom of participation in economic activity.
4. Freedom of movement of capital.

## **Article 9**

The member states shall encourage their private sectors to set up joint projects to coordinate the economic interests of the citizens in various spheres.

### **Chapter 3: Development Coordination**

## **Article 10**

The member states shall work to establish coordination and harmony among their development plans with the aim of achieving economic integration among them.

## **Article 11**

1. The member states shall work to coordinate all phases of their oil policies, including production, refining, marketing, processing, pricing, exploitation of natural gas and development of energy sources.

2. The member states shall work to draw up unified oil policies and to adopt common positions vis-a-vis the outside world and in international and specialized organizations.

## **Article 12**

To achieve the goals stated in this agreement, the member states shall:

1. Coordinate economic activity and set policies and means leading to industrial development and diversify their production base on an integrated basis.

2. Unify their industrial legislation and regulations and guide their local production outfits more strongly toward meeting their needs.

3. Distribute industry among them according to relative advantages and economic feasibility and encourage the creation of basic and complementary industries.

## **Article 13**

Within the framework of the coordination processes, the member states shall devote special attention to the creation and bolstering of joint projects among them in the spheres of industry, agriculture and services with public, private or joint capital to realize economic integration, coordinated production and common development on sound economic bases.

### **Chapter 4: Technical Cooperation**

## **Article 14**

The member states shall cooperate in identifying spheres of joint technical cooperation with the aim of providing a genuine intrinsic base founded on subsidizing and encouraging applied and technological research and sciences and seeking to adapt the imported technology to the nature of the area's needs and goals of progress and development.

## Article 15

The member states shall work to prepare the laws, regulations and conditions for the transfer of technology and shall select the most convenient of these laws, regulations and conditions or shall modify them to make them compatible with their various needs. To realize these goals, the member states shall, whenever possible, conclude unified agreements with foreign governments and scientific and commercial establishments.

## Article 16

The member states shall formulate a coordinated policy and implement coordinated programs for technical and vocational training at all levels. They shall also develop their educational curricula at all levels to tie education and technology to the development needs of the member states.

## Article 17

The member states shall work to establish coordination among themselves in manpower and shall set unified criteria and standards for the various vocations and crafts in various sectors so as to avoid harmful competition among themselves and to insure maximum utilization of available human resources.

## Chapter 5: Transportation and Communication

### Article 18

Each member state shall treat the means of passenger and commodity transportation belonging to citizens of the member states and transiting through or headed for its territories the same as it treats the means of passenger and commodity transportation belonging to its own citizens, including exemption from all kinds of fees and taxes, provided that the means of transportation belonging to citizens of other member states refrain from engaging in internal transportation in its territories.

### Article 19

1. The member states shall cooperate in land and sea transportation and communications and shall work to establish coordination in setting up infrastructure projects such as ports, airports, water and electricity plants and roads, to realize common economic development and link economic activities.
2. The signatory states shall work to coordinate their aviation and air transport policies and to develop spheres of common action among them at various levels.

### Article 20

The member states shall permit the ships and boats owned by any of them and the cargo of such boats or ships the same preferential treatment given to similar national vessels in terms of docking and transiting and in regard to fees, piloting and docking services, surface loading and unloading, maintenance, repair, storage and similar services.

## **Chapter 6: Financial and Currency Cooperation**

### **Article 21**

The member states shall seek to unify their investment regulations and laws to formulate a common investment policy seeking to guide their internal and external investments to serve their interests and the aspirations of their peoples for development and progress.

### **Article 22**

The member states shall coordinate their financial, currency and banking policies and shall enhance cooperation among the currency agencies and the central banks. This shall include efforts to unify their currency so that it will complement the desired economic integration among them.

### **Article 23**

The member states shall work to coordinate their foreign policies in advancing international and regional development aid.

## **Chapter 7: Final Provisions**

### **Article 24**

In implementing the agreement and determining the measures emanating from it, consideration shall be given to the difference in the levels of development and to local development priorities. Any of the member states may be temporarily exempted from implementing some provisions of the agreement in cases where such exemption is necessitated by temporary local conditions or by certain circumstances involving the state concerned. The exemption shall be for a set period and shall be granted on a decision by the Supreme Council of the Arab Gulf Cooperation Council.

### **Article 25**

No member state may grant a nonmember state a preferential privilege exceeding a privilege granted by this agreement.

### **Article 26**

1. The agreement shall become valid 4 months after it is approved by the Supreme Council.
2. This agreement may be amended with the approval of the Supreme Council.

### **Article 27**

Priority of implementation shall be given to the provisions of this agreement when these provisions are in conflict with the local laws and regulations of the member states.

## Article 28

The provisions contained in this agreement shall replace similar provisions contained in bilateral agreements.

Issued in the City of Riyadh on 6 Sha'ban 1401 of the Hegira, corresponding to 8 June 1981.

### Summit's Final Statement

The first Gulf summit concluded its proceedings and issued a statement at the end of its final session outlining the goals of the creation of the Cooperation Council. It also approved the bylaws for the Supreme Council and the regulations concerning the Dispute Arbitration Authority.. Following is the text of the final statement:

"In response to the invitation of his highness the president of the UAE and with the help of God, His Highness Shaykh Zayid bin Sultan Al Nuhayyan, president of the UAE; His Highness Shaykh 'Isa bin Salman Al Khalifa, amir of the State of Bahrain; His Majesty King Khalid ibn 'Abd al-'Aziz Al Sa'ud, king of Saudi Arabia; His Majesty Sultan Qaboos bin Said, sultan of Oman; His Highness Shaykh Khalifa bin Hamad Al Thani, amir of the State of Qatar; and His Highness Shaykh Jabir al-Ahmad al-Jabir Al Sabah, amir of the State of Kuwait met in Abu Dhabi from 21-22 Rajab 1401 of the Hegira, corresponding to 25-26 May 1981.

"In light of the fraternal spirit existing among these states and their peoples, to complete the efforts begun by the leaders of these states to seek an ideal formula to unite their states and to enable them to cooperate and coordinate, out of their faith in the importance of cooperation among these states, in response to the wishes and aspirations of their peoples for greater cooperation and efforts for a better future and in accordance with what took place at the meetings of the foreign ministers of these states in Riyadh on 4 February 1981 and in Muscat on 9 March 1981, their majesties and highnesses have agreed to set up a council that includes their states and that is called the Cooperation Council of the Arab Gulf States. Their majesties and highnesses have signed the constitution that seeks to develop cooperation among these states, to enhance their relations, to achieve coordination and integration among them, to entrench and cement the ties and bonds existing among their peoples in the various spheres, to set up joint projects and to promulgate similar laws in all economic, cultural, information, social and legislative fields to serve their interests and develop their ability to follow their faith and values.

"Their majesties and highnesses have also decided to appoint 'Abdallah Ya'qub Bisharah secretary general for the Cooperation Council and have designated the City of Riyadh in the Kingdom of Saudi Arabia as the council's permanent headquarters."

## Industrially: Linking Production Establishments Through Comprehensive Coordination and Unified Plan

### Industrial Cooperation

In the sphere of industry, the ministers of industry of the council member states have decided to implement a unified industrial strategy for the member states and to form an industrial cooperation committee to conduct a comprehensive survey of industrial conditions and legislation with the aim of unifying them.

The ministers of industry of the council member states held their first meeting in Riyadh on 22 Dhu al-Hajjah 1401 of the Hegira. Dr Ghazi al-Qusaybi, [Saudi] minister of industry and electricity, announced at a press conference at the conclusion of the meetings of the ministers of industry of the Gulf Cooperation Council member states that the Industrial Cooperation Committee had formulated the organizational framework for its work and outlined its view of the form the industrial cooperation strategy may take.

His excellency the minister said at the conference, in which Arab Gulf Cooperation Council Secretary General 'Abdallah Bisharah participated, that the committee had adopted three kinds of resolutions concerning Gulf coordination: The first pertains to the Industrial Cooperation Committee's work, the second to existing industrial conditions in the Gulf area and the third pertains to a view of the future.

Dr al-Qusaybi added that within the framework of the adopted resolutions, the General Secretariat was entrusted to prepare bylaws for the Cooperation Committee and that it was decided that the Cooperation Committee would hold two meetings annually.

The minister of industry and electricity went on to add that it was decided to conduct a full and complete survey of the industrial conditions and legislation in the Gulf area with the aim of bringing them closer to each other and of unifying them. It was also decided to start efforts to prepare a data exchange program so that the General Secretariat will have a copy of any industrial license issued in any of the member states.

As for the resolutions pertaining to the future view, Dr al-Qusaybi said that there is a recommendation to establish a single industrial strategy so that no industries will be set up in the future except in the light of this strategy, while taking into consideration protection of the environment from pollution, reduction in manpower-intensive industries and at focus on industries with the ability to compete.

The minister of industry and electricity was eager to assert that Gulf industrial cooperation is not a substitute for Arab industrial cooperation but rather complements this Arab cooperation.

His excellency also spoke of the transfer of technology to the Gulf area, observing that no international or monopolist firm can withhold from us the advanced technology befitting our needs.

In this respect, it has been decided to form a committee from the member states in which officials of the area's major industrial firms are included to deal with the international industrial firms and markets. It has also been decided to study the establishment of a technological center in the area to conduct studies on and to deal with the problems emanating from the transfer of technology.

Concerning nuclear energy, Dr al-Qusaybi said that the use of nuclear power as a source of energy is still a controversial issue and there is still disagreement over this issue--an issue over which not all countries of the world have made up their mind yet.

He said that under the present circumstances, the kingdom does not need a nuclear reactor. However, the universities are interested in nuclear energy.

Speaking of the role of the General Secretariat in carrying out industrial coordination or guidance, 'Abdallah Bisharah said that the secretariat is the agency that participates in implementation, follow-up and coordination.

Regarding the use of solar energy, Bisharah said that the Cooperation Council member states are interested in this sphere, that the kingdom has set up the National Science and Technology Center and that there is a similar center in Kuwait dealing with the issue of solar energy.

His Royal Highness Prince Sa'ud al-Faysal, minister of foreign affairs, stated that the al-Ta'if conference achieved historic success in the political, security and economic coordination of the Gulf states. His highness pointed out that the spirit of the sincere efforts that prevailed at the conference contributed in an effective and major way to achieving this success under the shadow of the challenges facing the Arab and Islamic area generally.

His highness reaffirmed the Gulf states' support for any efforts exerted to end the Iraq-Iran dispute, considering that such efforts contribute to the area's stability.

His highness said that the first session of the Ministerial Council of the Arab Gulf states crystallized clearly and laid down firm foundations for the initiation of joint Gulf efforts in all spheres. His highness also pointed out that intensive programs are being prepared by the Cooperation Council's General Secretariat for coordination among all the ministeries of the area's states with the aim of laying down a strong foundation from which the Gulf action will spring forth to constitute a force not only for the Gulf area but also for the Arab and Islamic worlds. This force will also contribute to serving the causes of right and justice.

The Ministerial Council held another meeting on Sunday, 12 Muharram 1402 of the Hegira, to discuss security and military cooperation and coordination and the unified economic agreement among the council member states and to prepare for the second Gulf summit which was convened in Riyadh from 14-15 Muharram 1402 of the Hegira.

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PERSIAN GULF AFFAIRS

BRIEFS

QATARI-SAUDI EXTRADITION AGREEMENT--Ratification documents of the security cooperation and extradition of criminals agreement were exchanged at the Qatari Foreign Ministry today between Qatar, represented by Muhammad Nur al-'Ubaydali, director of international organizations, conferences and agreements administration of the Foreign Ministry, and the Kingdom of Saudi Arabia, represented by 'Abd al-Muhsin Sulayman al-Zayd, Saudi Arabia's ambassador to Qatar. The agreement itself was signed between the two countries in Riyadh on 21 February 1982. [GFO41317 Doha Domestic Service in Arabic 1030 GMT 4 Aug 82]

CSO: 4400/409

OPPOSITION PRESS REACTION TO PRICE INCREASES

Rises in 150 Items

Cairo AL-AHRAR in Arabic 12 Jul 82 p 1

/Text/ The prices of 150 commodities rose as of last Tuesday. The Council of Ministers met the following day and issued a statement which the nationwide papers issued on the third day after the increases, last Thursday!

The Council of Ministers' statement said that it had been decided to raise the amount of taxes on a number of commodities in order to pay off 1.5 billion pounds of the budget deficit. The statement asserted that the tax increase had brought about a rise in the prices of some luxury and discretionary commodities and that the prices of basic and necessary commodities were not touched. The statement furnished examples of luxury commodities whose prices had risen.

AL-AHRAR has obtained the complete official lists of the commodities whose prices have risen and the percentage increase for each commodity. The increases range from 5 to 100 percent. In addition to luxury and discretionary commodities, cigarettes and gasoline, the increases involve a number of commodities that have become essential in the modern era, such as washing machines, refrigerators, heaters, recorders, color and black and white television sets of all types and sizes, blenders, automobiles, motorcycles of all kinds, even those on which boxes for distributing commodities are attached, bicycles, and even tricycles and children's wagons!

The price increases also involve drugs, health equipment, household utensils such as knives, forks and spoons, electric light bulbs, figurines, wallpaper, women's lingerie, imported cloth, yarn, pipe tobacco, snuff and all forms of imported fruit, fresh or dried, except for apricots!

Price Hikes Criticized

Cairo AL-AHRAR in Arabic 12 Jul 82 p 1

/Text/ Mustafa Kamil Murad, chairman of the Liberal Party, declared that the commodity price rises which were made recently ought to have been discussed with the opposition parties to set out a clearly-defined policy on prices which the people

could appreciate and be won over to, so that we could eliminate all the rumors that have been circulating as a result of the government's failure to announce these price rises.

Mustafa Kamil Murad objected to the approach of removing company presidents and stated "This approach is harmful to higher management stability in this enormous sector and is in violation of the public sector laws which determine methods for holding the heads and higher management of these companies to account. The final point of reference should be the general assembly, and /that should cover/the estimated budget, the final accounts, and the extent to which goals have been realized."

Mustafa Kamil Murad added that the volume of banking facilities and facilities for suppliers is still great, totalling 3 billion pounds, and that this has led to a rise in prices. He said that the rapid remedy would be to float the Egyptian pound in order to set up a commercial money market by agreement with the International Monetary Fund.

#### Price Hike Tactics Interpreted

Cairo AL-AHRAR in Arabic 12 Jul 82 p 6

/Article by Wahid Ghazi/

/Text/ At 0100 hours last Tuesday morning, a People's Assembly deputy drove into a gas station. The station attendant put 20 liters of gasoline into the car and the deputy gave him 260 piasters, on the basis of a rate of 13 piasters per liter. However, the station attendant asked for an additional 40 piasters. The deputy tried to take the attendant to the police station. Some decent folk intervened and insisted to the deputy that the price of gasoline had abruptly risen to 15 piasters a liter. The deputy was astonished. He had not failed to attend any People's Assembly sessions--when had the assembly discussed the price increase?

The next morning the deputy learned from his colleagues that the "decree" had not been passed by the People's Assembly and that it included many other commodities besides gasoline!

Another scene last Tuesday morning, a supply inspector purchased a pack of Cleopatra cigarettes. He paid the vendor 33 piasters but the vendor insisted on 35. The inspector insisted on writing out a summons for the vendor for selling a pack of cigarettes at above the set price. It so happened that an Eastern Tobacco Company representative passed by and the vendor asked him to back him up. The representative told the supply inspector that they had received instructions to raise the sales price per package to the consumer from 33 to 35 piasters early in the morning. The supply inspector went off in a state of embarrassment!

Who, then, raised the prices? The People's Assembly? Its deputies were not in the know. The government? Its supply inspectors, who are assigned to oversee prices, had not been informed. Was the decree issued by a government authority? Moreover, what specifically, were the commodities whose prices were raised? What was the rate of the price increase? What are the goods whose prices have not risen?

No one yet knows!

All that has happened is that a statement has been issued by the Council of Ministers; it was published by the nationwide papers last Thursday. The statement said that the Council of Ministers raised the tax on luxury consumption as of last Tuesday in order to cover a budget deficit of 1.5 billion pounds and that this tax would not touch the basic commodities which the broad base of the masses consumes.

People laughed with anger when they read the statement, which asserted that there would be no infringement on the prices of basic commodities and gave examples of the luxury and discretionary commodities to which the statement asserted the price rise had been restricted. It mentioned commodities consumers were not familiar with and perhaps had not seen all their lives, such as marble, cosmetics, tiles, semi-precious stones and yachts! These were examples of commodities where a rise or drop in price would not concern consumers at all. However, the government statement did try to "slip through" some vital commodities by inserting them in the middle of the list of luxury goods! The statement put imported fruit in the list of caviar, mushrooms, alcoholic beverages and imported cheese! The statement ignored the fact that citizens do not buy imported fruit as a luxury but rather because they cannot buy local fruit, some types of which have disappeared, such as bananas or local oranges, or have risen in price above imported fruit, such as cured grapes (which are not being sold at 120 piasters a kilogram while imported bananas sell for 80 piasters) or local strawberries, whose success and expanded cultivation in al-Isma'iliyah has been announced by the government and are being sold for 3 pounds a kilogram while imported apples sell for half this price or less!

It was as if the goal in increasing imported fruit prices was not to meet the budget deficit but to protect local fruit and the people growing it! The statement said that attention had been given to protect local commodities in the tax modifications!

The statement claimed that the price increases did not include medicines for chronic diseases such as diabetes, high blood pressure, bilharzia, and ankylostoma, or birth control pills! However, the prices of other medicines, local and imported, did rise. That is, the statement broke ailments down into common indigenous diseases such as bilharzia and ankylostoma, whose medicines did not rise in price, while it was the luxury, discretionary diseases whose prices rose, as did the prices for caviar and marble!

The statement said that local cigarettes rose only by 2 piasters a pack while imported cigarettes rose by 10 piasters. The statement did not note that local cigarettes had disappeared and that most smokers were compelled to buy imported ones because they were available, and for no other reason. When we realize that many imported cigarettes are brought into the country by smuggling and that their great increase in price will encourage an increase in their smuggling, we will realize that the 10 piasters will not add much to the government budget!

The statement said that care was taken to avoid increasing the prices of regular gasoline, which the statement described as "used in public transportation vehicles, trucks and ordinary cars." However, the price of super gasoline, which the statement described as "used in luxurious cars," was increased!

This part of the statement represents a distortion which anyone can observe who drives a car, no matter how modest it might be, and fills it with super gasoline, not out of "luxury," as the statement says, but out of "compulsion" because, if he did fill it with regular gasoline, whose price has not risen, that would ruin the engine and he would have to defray many times the difference in price between super and regular gasoline to repair it--not to speak of the fact that regular gasoline is not available in most stations!

On this subject, on the same day the price statement was announced, 'Izz-al-Din Hilal, the deputy prime minister, declared "Egypt's revenues from oil (gasoline) totalled \$6 billion this year and Egypt has become an oil exporting state, whereas it was once an importer!"'

In its statement on the price rise, the government did not present a list of the commodities whose prices it raised; it contented itself by offering examples of these commodities. This approach cannot be comprehended, and it could result in:

First, the assertion that there are many other commodities whose prices have risen but have not been included in the examples the statement mentioned, because they are basic ones and the statement did not want to reveal them!

Second, the provision of a perfect opportunity to exploitative merchants to raise the prices of other commodities not included in the decree and to put this price increase into their pockets, with nothing accruing to the government.

This is what has actually happened. The prices of dozens of commodities whose prices were not controlled rose last week directly after the government statement; no one knows whether this increase was included in the decree or whether the minds of merchants dreamed it up. Tradesmen such as barbers, the prices of whose services had been set by some governorates such as Cairo and Giza, removed the pricing lists from their shops and doubled their prices!

Third, the breakout of daily quarrels between merchants and citizens who considered that the examples the government gave in its statement were all-inclusive, and refused any price increases in goods which were not listed in the government's examples!

In the case of medicines, sick people do not know what medicines the price increases apply to and what the rate of increase in the case of each one is; this is a secret which only the pharmacists know, along with the secret of the composition of the medicines!

The question is, in whose interest is it to hide the truth about the price rises? Is it in the interest of the merchants, the consumers, or the government?

If the objective is the interest of merchants, the matter requires no comment!

If the "disappearance" is in the interests of the consumer, it has caused him to fall prey to labyrinths and problems which are no less severe than his sufferings from rise in prices; he is now faced with two problems--the increase in prices

and the refusal to reveal the increases, which have made him the victim of exploitative merchants, so that he "no longer knows his head from his feet."

If the government believes that hiding the truth of the price increase will achieve its own interest, it thus will have succumbed, through this belief, to a mistake which is no less grave than the mistake it made raising the prices of some necessary commodities and attempting to convince the masses that they were luxury goods! This is because clarity of vision in these cases is in the government's interest, indeed it is its duty, and it will be considered deficient in its most important duty if it abandons the citizen to rumors and predictions on a matter that touches on his daily life, which is "prices." Moreover, the government, in its secret statement, which did not disclose the real nature of the price increases, is prompting the citizen to distrust it further, and that is a matter of the utmost gravity, whose effects will appear in the future!

Proceeding from this notion, AL-AHRAR has published today the complete lists of goods whose prices have risen on its third page, "as a free service to the government!"

#### Unconstitutionality of Hikes Underlined

Cairo AL-SHA'B in Arabic 13 July 82 p 7

/Article by Dr Muhammad Hilmi Murad/

/Text/ After the parliamentary sessions of the People's and Consultative Assemblies were recessed, and in the wake of the latest Council of Ministers' meeting, the government declared the issuance of a decree on a law imposing a tax on luxury consumption. It declared examples of what this law dealt with, without publishing all the details of it. The purpose in publishing these examples was to show that the commodities on which this tax was imposed, and whose prices rose as a consequence, were luxury goods which only affluent people consumed. In justifying these increases, it stated that the purpose behind them was to meet part of the budget deficit, since the receipts from the new tax would be estimated at 150 million pounds.

What has happened in this regard must be subjected to criticism and considered unsound conduct from the constitutional, political and economic standpoints.

The deliberate failure to present the matter to the People's and Consultative Assemblies:

The current constitution (Article 119), requires that the imposition and modification of general taxes can take place only by law, and this requires that the government present the new taxes it wishes to impose to the People's Assembly in the form of the draft of a law which must be discussed, agreed to, then passed.

The government cannot resort to the grant of permits allowing the issuance of decrees which have the force of law during the People's Assembly recess unless something happens which makes it necessary to adopt urgent measures which cannot

tolerate delay, in accordance with the provisions of Article 147 of the constitution. This article states that these decrees of laws should be presented to the assembly at its first meeting for approval or their provisions will lose the force of law.

It is clear, from the sequence of events, that the People's Assembly had been in session and had been discussing the draft government budget, which contained a deficit of 4.8 billion. It managed to provide partial cover for the deficit from loans and aid, leaving 1.5 billion pounds which were to be covered, as was stated, by bank borrowing, so that new currency would not be printed, resulting in increased inflation and price rises.

A few days after agreement was given to the draft budget, followed by the decree recessing the session, the citizens were taken by surprise by actual increases in the prices of certain commodities before they had been told that an official decree had been issued in this regard. Then came the declaration following the Council of Ministers' meeting, not a week after the recess of the People's Assembly session. That proves that the government had determined to impose this tax, and raise the prices of the goods on which it was imposed, during the People's Assembly session, before it was recessed, and that it had refrained from presenting the matter to the assembly in order to avoid the discussions or objections that might be raised on it, especially after some opposition members of the People's Assembly, such as Shaykh Ibrahim al-'Azizi, a Labor Party deputy, had articulated their opposition to increased gasoline prices, as the newspaper AL-SHA'B had previously pointed out.

This conduct on the government's part is to be considered a deceitful approach to the provisions of the constitution, violence to the legislative power's right to discuss the drafts of laws imposing indirect taxes on consumer goods and to express opinions on them before they are passed and go into effect, and the use of permission which the constitution has granted it to issue presidential decrees which have the force of law without meeting the conditions which have been set out for it, which are that matters must arise suddenly during the People's Assembly recess that require the adoption of measures that cannot tolerate delay, since these matters were known while the assembly was in session and the draft law imposing this tax had been prepared by the plan set forth by the government, which was to avoid making a presentation to the assembly by issuing the law in the form of a decree on a law signed by the president after the People's Assembly session had gone into recess.

While the historic purpose in the emergence of parliamentary assemblies has been to express the views of the people's representatives on the imposition of taxes which increase burdens on people, and prevent the governing powers from having a monopoly on this, this "deliberate" trespass against the People's Assembly should not be considered a trivial constitutional violation: rather, it is a deliberate violation on a political matter which requires that the People's Assembly defend its dignity and preserve the reason for its existence.

Aside from that, this constitutional violation has the effect of exposing the decree of the law issued imposing taxes to contestation and nullification; the

government ought to have worked to avoid that by deferring to the provisions of the constitution and observing its stipulations.

The people were surprised by the increases before they were announced:

The matter was not confined to a trespass against the People's Assembly in determining commodity taxes which were imposed in opposition to the constitution. Rather, it so happened that the government trespassed against "the people" themselves, failing to inform them of the stipulated increases in taxes on commodities and the types of commodities on which price increases were imposed. Thus citizens were surprised to find themselves purchasing some goods at greater prices; this led to chaos among people and the eruption of quarrels between sellers and buyers--permitting some opportunists and people of no conscience to speculate in prices in order to exploit this confusion.

It appears that this decree of the law was not presented to the Council of Ministers itself until after it was issued and went into effect, because the following appeared in the headlines of AL-AHRAM newspaper on 8 July 1972: "At its meeting yesterday, the Council of Ministers reviewed the law which was issued imposing taxes on luxury consumption, which has begun to be applied."

In fact, the publication, which was delayed 2 days after the law was issued and went into effect, was not made in full. Rather, it appeared in the form of a statement issued by the minister of information, giving examples to indicate that the commodities the increases dealt with should be considered luxury goods and that the increases did not touch basic commodities. This statement of course did not /sic/ fail to declare the stipulations of the decree in full and furnish a declaration of all the commodities on which the increases had been imposed, while mentioning the amounts of these increases so that the citizens would be fully aware of the situation and no exploitation of the masses would occur as a result of this deficient information, since the people were all supposed to be informed of the law and it was not permissible to promote ignorance of it.

While the official bodies resorted to the technique of clandestinely raising prices and acting deceitfully in devising the means for these rises, such as producing goods with new titles, reducing of their contents while keeping their prices, or increasing the contents by modest percentages while increasing prices by greater ones, and innovating new terms such as "price movement" instead of price increases, in order not to confront people's attitudes frankly, these matters may all be attributed to the lack of a climate of trust between officials and the governed and the inability to persuade the masses of the validity of the decisions adopted, in an atmosphere full of discrepancies and contradictions and an absence of social justice.

Is there anything to justify the stipulated increases economically?

We then wonder if there is anything to justify the imposition of the stipulated increases, with the results these are anticipated to lead to.

1. A social raise of 4 pounds a month for workers has been decreed, and it appears that the purpose in this has been to cope with the anticipated increases; this will result in imposing 200 million pounds on the budget while the anticipated receipts from the new increases will come to 150 million pounds.

It would have been to these workers' benefit had the government provided the money it would have had to pay by decreeing the social raise, which the receipts of these tax increases would not cover, lest that lead to a wave of price rises which would swallow up this social increase and could indeed lead to the imposition of greater burdens which would exceed the raise, in the case of some people anyway.

2. Does covering 150 million pounds of the total deficit which has not been covered, which comes to 1.5 billion pounds--that is, one tenth of the latter amount--call for the adoption of this decision to increase the prices of goods of diverse types and categories, some of which cannot be considered luxury goods, such as certain types of medicines and cloth (and cigarettes, as far as smokers are concerned), which will certainly result in a wave of price increases in the case of such services as tradesmen's and professionals' fees, and transportation costs (in spite of what has been said to the effect that the increase is in super gasoline, since Peugeot and other passenger vehicles between governorates use super gasoline, and trucks use oil and lubricants, which a driver has informed me have increased in price even though the price of diesel has not risen)? This is above and beyond the economically well known fact that there is a psychological factor that leads to further increases in the general price level as a result of increases in various commodities, especially when this increase takes place by government decree and involves a number of commodities in various areas.

3. One cannot justify the adoption of this decree in social terms by repeating the statement that public opinion demands limits on luxury goods imports, since the imposition of taxes on caviar, mushrooms, furs, semi-precious stones and yachts cannot be great or significant enough to stir up social animosity or make the balance of payments bear a large deficit. Rather, in reality, the taxes are a transparent curtain aimed at covering other increases in goods which might not primarily be essential or have equivalents in local production, but cover a deficits in supply locally and consequently are to be considered quasi-essential goods of a sort. It would have been better to suspend imports of high-priced elegant cars which impose great expenses on the balance of payments, because their prices are enormously high, coming to 50,000 pounds per vehicle--not to mention the fact that they congest the difficult flow of traffic.

4. If the government wants to meet some of the deficit through tax sectors, the most socially proper way would be for it to resort to direct taxes on affluent people who have large fortunes. The research bureau in the Tax Department has published the fact that the number of millionaires in Egypt comes to 1,500 and tax evasion is still high. From time to time we read that a taxpayer is requested to pay a half million or a million in taxes he has evaded. Also, taxes should be collected on the gross profits reaped by the owners of deeded apartments, whose prices have risen to fantastic figures, customs evasion in the cities and free

zones should be fought, and taxes should be levied on flagrant manifestations of wealth and provocative consumption which creates social unrest. These taxes also provide evidence of the concealment of people's real incomes when the money owed to the public treasury is not paid.

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CSO: 4504/415

**ANTIREGIME GROUP URGES POPULAR WAR IN IRAQ**

GF141935 Tehran International Service in Arabic 1730 GMT 14 Jul 82

[**"Text" of statement issued by Islamic Action Organization in Iraq on the occasion of the Ramadan Operation]**

**[Text] In the name of God, the compassionate, the merciful. If you support the cause of God He will support you and make your steps firm. [Koranic verse]**

For more than 22 months the aggressor Ba'thist regime has been talking through its agent propaganda media about its ability to achieve one victory after another in a desperate and exposed attempt to cover up its shameful defeats on the battlefronts, particularly following the liberation of the strategic city of Khorramshahr and the retreat of its cowardly mercenaries to international borders while pulling behind it the tails of loss and disappointment. It seems this regime has not yet realized that the robe of lies is short no matter how long it lasts. It has continued to fabricate lies. Its latest fabrication was its claim that its mercenaries did not run to the borders but were ordered to retreat and that retreat is considered to be victory.

At the time when the Ba'thist regime rationalizes its defeat based on avoiding fighting and tactical retreat, it is clinging to every straw in order to rescue itself from drowning. It recently announced a unilateral cease-fire and pulled its mercenaries out of all Iranian territory under the pretext that Lebanese territory was being invaded by Zionist forces. On the other hand, it went so far as to beg an international force to deploy itself on the Iranian-Iraqi border in order to confirm the retreat of its mercenaries and supervise the cease-fire.

Finally, the United Nations, under pressure from the imperialist states and with the blessing of the reactionary regimes, has issued resolutions to this effect in order to get the Iraqi regime out of the bottleneck and save it from its certain black destiny. But will they be able to do so? The answer is on the southern battlefield where the victorious Islamic forces have launched a fierce and devastating attack, at the start of which they destroyed the mercenaries' first defense lines and inflicted heavy losses

on them in personnel and equipment. The Islamic forces will march forward in order to crush their final entrenchments in the presidential palace.

This overwhelming victory places the Muslim Iraqi people before their legitimate duty and historic responsibility. They have to take the initiative and begin forming armed resistance cells to declare popular war and participate with the Islamic forces and vanguards of Islam in the process of bringing about the downfall of the aggressor Ba'thist regime and marching toward Jerusalem to rescue it from the claws of the usurping Zionist entity.

On this occasion, we extend to Imam Khomeyni and all Muslim and oppressed nations our warmest congratulations and sincerest blessings. We pray to Almighty God to make the liberation of the Muslim people in Iraq the start of the liberation of all the Muslim and oppressed nations from the hegemony of the imperialist states and the states of infidelity and arrogance.

And victory comes from God alone, the mighty and wise. [Koranic verse]

CSO: 4604/42

## SOME ASPECTS OF IRAN'S VICTORY DISCUSSED

## Western 'Apprehension'

Tehran TEHRAN TIMES in English 25 Jul - 1 Aug 82 p 2

[Text]

**WASHINGTON (IRNA)** - 'If the Persian Gulf countries were to support the policies of the Islamic Republic of Iran, it will inflict a lethal blow upon the interests of the West and would be irremediable,' said the widely circulated American newspaper Los Angeles Times in its Wednesday's issue.

Presenting a distorted image of the region's future, which will ensue the eventual victory of the Islamic combatants, the paper asked the U.S. government to coax the Arab states in supporting Saddam more.

According to the IRNA report, the article, which was also broadcast by the Voice of America, the daily said that the U.S. and its allies could not have possibly affected the objectives of the Islamic Republic of Iran.

Listing the names of the countries in the Persian Gulf, the Los Angeles has claimed that in the face of complete victory of Ramadhan Operation Iran will follow up

the victory with attacks on those countries, consequently drowning the region in inconsistency.

The American daily seems to have neglected the repeated declarations of the Islamic Republic that it does not have any territorial ambitions in the region in question.

Reflecting Iranian terms for a ceasefire, the daily has also stated that the Iranian Forces are intending to destroy the Iraqi cities, while in reality all the foreign reporters who had recently visited Basrah have admitted that the Iranian combatants have had no artillery or missile attack on the Iraqi cities.

Expressing its apprehension over the cultural-infiltration of the region, the daily asserted that the results of the Iraqi-imposed war on Iran will be more effective on the developments in the region than those emanating from the fight of the Lebanese, Palestinian and Syrian forces with the Zionist aggressors.

Pointing out to the in-

creasing trend in the Islamic world for supporting Islamic Republic, the LA Times has stated that such a support for Imam Khomeini's policies among the Arab states will ultimately lead to discord and disunity in the Arab world.

Meanwhile, the Financial Times of London in its recent issue writing about the stand taken by the Jordanian regime in the Iraqi-imposed war has stated that the penetration of Iranian Forces has caused great apprehension for King Hussein and his government. Reporting on the close cooperation of the Iraqi-Jordanian regimes, the daily said that Jordan has pioneered to assist Saddam's war on Iran, and at the same time it has benefitted greatly on the issue such as signing of many commercial pacts with the Iraqi regime, which include transportation and communication.

It must be noted that the shipping traffic at Aqaba port has increased by 19 per cent between the years 1979 and 1981.

## Residents Return to Susangerd

Tehran TEHRAN TIMES in English 25 Jul - 1 Aug 82 p 2

[Text]

**SUSANGERD (IRNA)** — After 23 months struggles of the Islamic combatants to expel the Iraqi forces from the south of Iran, the residents of Susangerd were able to return to their homes and hold Eid Ul Fitr prayers.

The Susangerd residents on returning to their homes were welcomed there by Nateq Nuri, the Interior Minister, Dr. Manafi, the Minister of Health , Dr. Banki, the head of the Plan and Budget Organization, the Governor General of Khuzestan and some of the ulema of the region.

Nateq Nuri in this ceremony said the Islamic combatants triumphed despite all the economic boycotts of the superpowers against the Islamic

Republic of Iran. He also referred to the resistance of the Iranian Muslim people against the aggression of the Iraqi regime.

The Interior Minister condemned the intransigent and biased attitude of the Non-Aligned Movement and the Security Council towards the imposed Iraqi war. He added that the war with Iraq would ultimately expose the hypocritical nature of the Iraqi regime just as the hypocrisy of the Mujahideen Khalq terrorists inside the country was revealed.

After 22 months of homelessness Susangerd's residents were moved to tears of joy on being able to return home. The people were already beginning the rehabilitation of the devastated areas of their

city.

The first group of war refugees from Susangerd returned to their homes, following an announcement by Khuzestan's Governor General.

Susangerd, which is located 55 Kms west of Ahvaz, had been one of the towns most vigorously contested but ultimately defended by the Islamic Forces during the Iraqi imposed war.

During the first months of the war it was twice regained from the Iraqi aggressors, the last battle being won by the heroic resistance of the Islamic Revolutionary Guards, who had been deprived of needed arms and even moral support due to the malice of the now ousted president Baniadr. The Iraqis never got near the town again afterwards.

## POWs Cited Internal Weakness

Tehran TEHRAN TIMES in English 25 Jul - 1 Aug 82 p 2

[Text]

**AHVAZ (IRNA)** — A group of Iraqi PoWs who were taken captive east of Basra, inside Iraq on Thursday, speaking to IRNA backed the rightful stand of the Islamic Republic in the imposed war as well as the Iranian thrust into Iraqi territory.

An Iraqi PoW, Satar Jebrieli, said that he was in charge of the communication of the 25th Battalion of the 50th Armored Brigade which battalion

was surrounded in the early hours of the Islamic combatants' attack and was annihilated.

Talking about the situation of the Iraqi army, the PoW said that after the liberation of Khorramshahr, the fighting power of the Iraqi army was considerably decreased so that Saddam was forced to change the units continually to prevent the advance of the Islamic defenders. He

continued that his own brigade, which was recently stationed on the western borders of Iran, was transferred east of Basra.

Another captive, Ahmad Jasem Mohammad Jami of the Second Battalion of the 101st Brigade of the 11th Army said that he was serving in the Iraqi army for 23 years. He added that the Iraqi army had even recalled retired to balance the severe shortage of personnel.

## Life Resumes in Gilan-e Gharb

Tehran TEHRAN TIMES in English 25 Jul - 1 Aug 82 p 2

[Text]

**BAKHTARAN (IRNA)** — Life in the war-stricken city of Gilan-e Gharb will soon return to normal and the organizations responsible for the reconstruction of the war regions were making it ready for the return of its residents.

The city's needs for water and power, communication and public welfare services have been met and the people are supposed to return during a special ceremony on August 8 which will coincide with the anniversary of the elections for the Assembly of Experts held in 1979. The people will help the reconstruction and renovation groups in rebuilding the devastated houses.

Also, clean-up activities are continuing to clear the villages and fields from mines. The cleared regions will be handed over to those responsible for the villages' affairs for resuming agricultural activities.

## Ahvaz-Khorramshahr Railroad Restored

Tehran TEHRAN TIMES in English 25 Jul - 1 Aug 82 p 2

[Text]

**ARAK (IRNA)** — The Ahvaz-Khorramshahr railroad would soon go into operation again for the first time after 22 months since the Iraqi aggression against the Islamic Republic, said Nejadhusseinian, Minister of Roads and Transportation during a visit here Saturday. He also said all equipment and facilities had been made available to the ten different work groups now repairing the vital transportation route. Also concerning reactivating Khorramshahr's huge port facilities the minister said that the necessary funds for rebuilding the port have been provided by the government but he added that the main

issue about the port now was that it had not been dredged for five years. He said in addition to this, a number of ships had probably been sunk by the Iraqis during their occupation of the city. In any case he added, the main obstacle in bringing the port into renewed operation was the need to dredge the Arvand river.

Nejadhusseinian said that generally ship congestion had considerably dropped due to proper distribution of port capacity in the southern ports of the country. He added that queues had dropped to as low as six or seven a day from nearly 100 last year. This, the minister said, also had lowered

much of Iran's expenses in paying delay fees to the waiting ships.

Later, Nejadhusseinian visiting Khorramshahr said that the basic development policy of the government of the Islamic Republic of Iran was implementation of essential projects in deprived areas of the country.

Referring to the activities of his ministry he said that the roads and transport department of Lorestan Province constructed 450 Kms of roads in rural areas over the past year. During the entire period of the former regime only 200 Kms of road had been constructed in the province.

CSO: 4600/705

## AIR FORCE CLAIMS CAPABILITY TO REPAIR WARPLANES

Tehran KAYHAN INTERNATIONAL in English 18 Jul 82 p 8

[Interview with Col Baba'i, Commander of Eighth Fighter Base of Esfahan]

[Text]

With the victory of Iranian Revolution and the flight of American advisors the need for self-sufficiency became more and more pertinent. For the society to free itself from bondage it had to use its own resources and talent. With the start of the imposed war, the people's mobilization has been successful and the talent and sense of initiative of our people created awe and wonder among the imperialists.

The highest credit goes to the technical staff of the Air Force who with their dedicated and untiring service kept our planes flying. Below is a report on the extraordinary feats of the technical staff as well as the heroic pilots of 8th Air Force base of Isfahan. This report has been prepared by Martyr Mohsen Akhavan of Kayhan representative office in Isfahan.

An Air Force technician explained the making of the equipment for testing the parts of the hydraulic section of F14 planes and said: "At the time when Americans were at this base, defective but important parts of planes were thrown out as irreparable. However, this practice changed after the war and we tried to repair the parts that were thrown out by Americans." He added: "After repair of important parts in the hydraulic section of F14 planes, hydraulic pressure transmitter, the equipment that tests these parts before they are fitted did not exist, and we were

forced to unscrew 500 nuts of the plane in order to fit the parts and test them. With the help of two other technicians we succeeded in making the above testing equipment. This equipment has no foreign parallel because the equipment tests three important parts at one time whereas the foreign ones (tester equipment) tests one particular part at a time.

"Before the revolution, we collected the parts from the garbage cans that were thrown out by the Americans, because we knew that some day we might need them. When the Americans left this base, and with the beginning of war we successfully began the repair of defective parts and fitting of them into the planes. Ninety percent of the parts that are repaired at present were sent to U.S. previously. Also, the testing of parts took 2 days whereas now it's taking only 10 minutes. Besides saving time it also saves a lot of foreign exchange."

A noncommissioned officer gave details of the repair done on fuselage and wings and said: "Before the revolution, repairs on these sections of the plane were carried out in America. However, after the revolution we not only successfully repaired the fuselage and wings but also the nose cone of F14 planes." He added: "According to technical brochures the parts that have been repaired are unusable if there is a hole more than 2 inches in the parts. However, an 8 inch hole between

the fuselage and nose cone of F14 was successfully repaired."

Four other technicians of the electronic section have succeeded in constructing four important equipments for testing the cabin switching section, lights and other electronic sections of F14s.

#### Use of Crashed Iraqi Bombers

Another technician gave details of an equipment called "catchwaister". He said the equipment tests steering parts and finds its defects. The accuracy of this equipment has been confirmed by the Air Force engineers. The equipment has been manufactured from electronic and other parts of Topolov. He added that the equipment can control and test four important parts of the steering. Another unique equipment made is the one that tests the F14s lights, and indicates where the defect lies.

He added that the F14 generator that costs 500,000 Rials to repair, has been repaired for the first time in Iran. Also, its complicated testing equipment has been repaired too.

Many other important and complicated repairs have been done by the technical staff of the Air Force. For example, they have manufactured a special equipment for testing wings from the discarded wing parts. Another equipment for testing Phoenix missiles has been made by a young technician. Colonel Babaei, Commander of the 8th hunting base of Isfahan said: "During the course of war, flights from the 8th hunting base of Isfahan, have been four times more than that of 1977, that is two years after the entry of F14 fighters into the Iranian Air Force. This indicates the dedicated services of the technicians and non-commissioned officers of the repair and maintenance branch. The Air Force personnel know that what they do is just for God's sake that is why they work with complete dedication and make parts that should have been made in America. They have even repaired parts that were obsolete and could not be repaired in America. I think they have saved

billions of dollars in foreign exchange."

Colonel Babaei added: "The pilots are on 24 hour flying duty and so are the technical staff of the maintenance section.

One of the pilots who is an F14 instructor and who downed the first Iraqi plane at the beginning of the war said: Our previous limitations have been overcome to a great extent. At present the pilots fly with greater enthusiasm and after the revolution they had the longest flying hours with fewer accidents. In the past we used to do air fuelling. However, with all the programming even the oldest pilot could not get away from breaking the canopy (glass window on pilot's cabin). There were so many canopies broken that it was decided to change the fuelling system in the air. The Air Force agreed to this and negotiations were carried out with the U.S. and the cost of this change was paid. However, the revolution came into fruition.

A colonel pilot adds: "Before the revolution, we never fuelled in air during the night. The Americans did not dare to. However, we have successfully done night fueling in all weather conditions and without breaking even one canopy." He adds that he downed the first Iraqi plane at the beginning of war and he has totally downed seven MiGs during the war period.

First Lt. pilot of F14 said that he has had 140 war missions during which he directly encountered Iraqi planes 12 times, whereas some of the planes were downed and some forced to flee. He had downed 2 Iraqi MiGs.

A pilot captain of one F14 who has been 12 years in the Air Force said that he had a total of 160 war missions and had downed 2 Iraqi planes.

Another pilot who had 80 war missions and had downed 5 enemy MiGs said that we hope that we will win this war and Islam settles in the regional countries and the world to fulfill Imam's wishes.

## RAFSANJANI: U.S. ATTEMPTED TO CREATE SECOND ISRAEL

Tehran TEHRAN TIMES in English 28 Jul 82 p 1

[Text]

TEHRAN (IRNA) - The U.S. fancied it could create a second Israel in the region, under the name of Iran, to safeguard its interests, but it all turned out precisely the opposite, said Majlis Speaker Hashemi Rafsanjani on Monday.

The speaker who was addressing a group of the Ground Forces training centers commanders, said the U.S. counted on the Iranian Armed Forces to stop the Islamic Revolution. But he added, because of the help of Allah, their calculations turned out to be erroneous in that case too.

He stressed that although the idea of disbanding the Army was given first by the Leftists, was really inspired by the U.S., for the U.S. and the Left, both feared the power of the Iranian Armed Forces.

Rafsanjani added that through Allah's assistance, the Iranian Armed Forces were saved from this great conspiracy. He emphasized that the experience of the Iraqi imposed war on Iran, was indeed an invaluable one for the

Armed Forces.

Comparing Iran with Iraq, he noted that Iran could use all its potential might in defending itself in the Iraqi imposed war on Iran. He noted as an example the 155 mm, high yield artillery shells the Islamic Republic was producing every day which could be used against Basrah. But he continued that due to the Islamic criteria Iran was attached to, it could not imitate Iraq in its method of warfare.

Speaking on Iran's ability to shell the 500,000 residents in Basrah, he said it was quite easy for Iran to target Basrah with its 155 mm, artillery rounds, but it did not do so.

After Iraq's cowardly bombing the Iranian border towns, Iran ordered its pilots to only bomb Baghdad Oil Refinery so that the Iraqi people would realize that Iran was quite capable of shelling Iraqi territory, he added.

He said the Iranian forces had restricted their bombing to industrial and military areas inside Iraq.

CSO: 4600/698

'TASS' CLAIMS CIA PLANS 'MORE OFFENSIVE ROLE'

Tehran TEHRAN TIMES in English 28 Jul 82 p 1

[Article: "CIA Earmarked To Play Bigger, More Offensive Role"]

[Text]

TEHRAN - The US Central Intelligence Agency (CIA) has recently made great efforts to employ new agents and saboteurs, IRNA quoted a Tass dispatch from New York as saying yesterday.

Many radio stations in US cities recently broadcasting advertisements saying "Join the CIA if you wish to change the future world. Men and women with knowledge of computer, physics and foreign languages are needed," Tass said in its report.

According to many observers such vast employment for the notorious CIA is in connection with the bigger role Reagan has in mind for the Agency to promote his aggressive foreign policy.

It must be noted that Reagan signed a bill last month in which he stressed the

the professional spies, terrorists and saboteurs (the CIA agents). The bill had previously been approved by the US Congress under pressure from the Reagan Administration. Reagan's purpose in signing this bill was to provide the CIA terrorists and spies with untrammeled freedom to carry out their notorious activities across the world. According to the same bill those who reveal the clandestine activities of the agency to the public will face rigorous punishments.

Thus, by approving such bills, the US criminal government is granting total immunity to its CIA agents, the agents whose crimes in planning armed rebellions and terrorist acts against Cuban and Nicaragua have already been realized by the American people.

CSO: 4600/698

BEGIN COUNTERATTACKED, ASSURED THAT 'A DAY SHALL COME'

Tehran TEHRAN TIMES in English 20 Jul 82 p 1

[Editorial: "Be Sure Mr. Begin a Day Shall Come"]

[Text].

WELL said Mr. Begin, well said indeed ! But have you pondered your words before steaming off so arrogantly ? The threat to scatter the Islamic Army of Iran to the "four corners of the Earth" sounds like an apostolic echo of the prophecy when God shall scatter the Earth turning it to nought but dust and ashes - and here comes the rub - when each man shall give an account of himself unto his Creator. Mr. Begin will certainly have a great deal to account for - the enormous burden of responsibility for merciless brutalities and the sufferings of thousands upon thousands !

Yes, we know of the oft-repeated boast of the Zionist Army's ability to take on the combined forces of all our Muslim nations in the region and we know this boast lives for now but it will not be forever. A day must come soon as God wills, when Mr Begin's Army will cower before the Muslim forces of the world - whether that march is going to be a long one or a short one. Let him remember that a day will come to him as days have come to others mightier than the Zionist old man. It might well come before age catches up with him or time silences the lips that speak these words and the prophecies of wiser, older men of the East will ring true - God willing.

Men have short memories and Mr Begin's seems short indeed. His people, the Jews, were once the persecuted of the Earth but he speaks with the same proud tongue of his now forgotten Nazi persecutors. It matters not to him that his own people and the conscience of the world remind him of the Nazi Holocaust and of the persecution of his people by the Nazi hordes, when all good men sympathized with their

sufferings. None of this has lessened the tone of his vituperative vehemence in his approach to people, particularly the Palestinians, who are now the homeless wanderers as the Jews once were.

Let Mr Begin not run away with the idea that we stand pleading his compassion and mercy petrified by his threat to scatter us to the four corners of the Earth. We only want to remind him here of the dark thread of weakness in his professed strength and reaffirm as we always will the shining strength we have in Islam, a strength and determination which will never flag to the day when this world shall end scattered to the far corners of the Earth. This is the spiritual fibre which our Imam Khomeini tirelessly reminds us of and reminds the Muslim world of, who have forgotten a once glorious past, when the Muslim armies marched to the very gates of the West.

When Mr Begin on Saturday held our Imam to ridicule for his affirmation that the Muslims would one day be the rightful heirs of Jerusalem calling him "that old man of the East" he (Begin) confessed himself by implication as belonging to the West. It will be well for Mr Begin to remember his wandering days in the West, a reminder too of how he and his people were carried on the backs of the U.S. and Britain to be deposited in their present land. And Mr Begin, and Zionism which he represents, cling stranglingly to the neck of their U.S. benefactors like the legendary old man in Aesop's fable who was helped across the stream but would not let go.

Mr. Begin and Zionism may play the old man in the fable for a time but not for all time. Even today events in Lebanon are a clear pointer to the fact that despite temporary setbacks that unflinching determination and faith runs strong in Muslim veins. We are no fanatics as Mr Begin avers but fighters in the cause of a faith of which we are truly convinced and will not have tampered and trampled underfoot by the likes of a Mr Begin, Mr Sharon or their truly blind supporters in the U.S. and the world who do not see the evil behind their changing masks. We are no fanatics but fighters for the reign of truth, justice and righteousness in a world controlled by forces and men who do not accord with the true meaning of these ideals. If this is to be fanatic than let us all be fanatics and if this be the wisdom of the East let us have more "old men of the East" whom the world needs and who will proclaim the secrets of a supreme spiritual wisdom long lost to the West - Mr. Begin's spiritual home as he himself so vaingloriously admits.

COMMENTARY ON RECOGNITION OF PALESTINIAN REVOLUTION

GF101932 Tehran International Service in Arabic 1800 GMT 10 Jul 82

[Unattributed commentary]

[Excerpts] The colonial circles have exploited the armed Zionist invasion in Lebanon to achieve the strategic goal of reducing the Palestinian role in the arena. The banishment of the Palestinian fighters from Lebanon and scattering them throughout the world is aimed at concluding the role that is being played by these fighters in the Palestinian arena and within the circle of political equations in the region. The colonialist, enemies of the Palestinian revolution, realize the importance of this accomplishment--if achieved--in the establishment of the Palestinian presence, which will not end at this point [sentence as heard].

The Zionist invasion in Lebanon is a single round in a serious series of aggressions. The bargaining on the fate of the Palestinian question which is taking place behind curtains today is another round in this conspiracy, which intensifies day by day as the usurping Zionist aggression continues and intensifies. One fact remains to be said and that is that the bargaining by the colonial and reactionary parties is nothing compared with the recognition that the Zionist enemy obtains.

The Palestinian revolution is not in need of Zionist recognition nor is it in need of French guarantees to obtain this recognition. The revolution is present in the conscience of the Palestinian people who live inside and outside the occupied territories. It is present in the souls of the aspiring Palestinian generation that is still fighting Zionist terrorism with stones and empty hands. The revolution is inherent in the will of the oppressed people who have found no other way to prove this will except by declaring their roaring revolution and flaming anger. Such a revolution does not require international recognition because it is not a dumb entity that can be reformed by recognition from this or that country.

CSO: 4604/42

**MOJAHE DIN MEMBERS SENTENCED IN MASHHAD**

GF021719 Tehran JOMHURI-YE ESLAMI in Persian 20 Jul 82 p 11

[Text] Mashhad--Thirteen members of the hypocrite minigroup [Mojahedin-e Khalq] were sentenced to between 3 years to life for widespread counter-revolutionary activities by Mashhad Islamic Revolution Court. The public relations department of the Mashhad Islamic revolution prosecutor's office has announced the court's verdicts as follows: Soghra Golchinin, daughter of Mehdi, was given a life sentence, with due consideration for nursing an infant, for the crimes of organizational contact with the hypocrites, speeches on their behalf, gathering money for them and being in charge of three supporters of the said minigroup.

Zari Shayesteh, daughter of 'Ali Akbar, was sentenced to life, with due consideration for her three infants, for the crimes of military and political activities, gathering money and forging false birth certificates.

Mehdi Rahili Khorasani, son of Mohammad, was sentenced to 25 years imprisonment and given clemency for widespread political and military activities, participation in investigation and logistics team and delivery of a handgun to the center of hypocrite mothers, as well as financial help. He had expressed sorrow at his activities.

Reza Hamed, son of 'Ali, was sentenced to 20 years imprisonment for continuous and active operations in the politicomilitary phase, hiding one hypocrite, giving hypocrites financial support, membership in the society of hypocrite workers and teachers in Mashhad and possession of a handgun.

Mehdi Torshizian and Mohammad Reza Mohammadpur were sentenced to 12 years imprisonment each for supporting the terrorist hypocrite organization, widespread activities on their behalf, holding sessions with the participation of the high-ranking members of this minigroup and giving financial aid to the organization.

Gholamreza Purfathollah and Hasan Musavi-Torshizi were each sentenced to 10 years imprisonment and fined 400,000 rials for participation in the politicomilitary phase, participation in the propaganda teams and financial support and organizational contact, as well as for membership in the hypocrite society of workers and teachers.

'Ali Akbar 'Ata'i, son of Mohammad, received a 10-year sentence, 4 years of which is suspended, for participation in the politicomilitary phase, participation in the hypocrite society of teachers and organizational contact and activities to corrupt the minds of school children.

Mohammad Reza Faregh, son of Nurollah, received an 8-year sentence, 5 years of which have been suspended, for active support for the terrorist hypocrite organization, active operations on their behalf during the political and military phases and giving financial aid to that organization.

Karim Arianfar, son of Esma'il, was given a 6-year term for supporting the hypocrite organization, participation in the workers' society, participation in the 20 June demonstrations of last year and giving financial support to the hypocrites. However, 3 years of this sentence was suspended for 5 years [as published] due to his great emotional expression of truthfulness.

Mahmud Amin-alro'ia, son of Hoseyn, was given a 5-year sentence with a 2-year suspension for membership in the society of the hypocrite workers, participation in investigation teams and financial aid to hypocrites.

Farah Mokhtari-Qara'i, alias Safarabadi, daughter of Din Mohammad, was given a 3-year term, with a 2-year suspension for participation in the hypocrite demonstrations and organizational contact with them. Her sentence was lenient due to her expression of regret.

CSO: 4640/424

STUDENTS PUBLISH 'DEN OF SPIES' FILE ON BAKHTIAR

Tehran TEHRAN TIMES in English 26 Jul 82 p 2

[Text]

**TEHRAN (IRNA)** - Documents in relation to Shahpour Bakhtiar, the last hand-picked prime minister of the defunct Shah, found in the former U.S. embassy in Tehran have been published in a new collection of documents gathered and translated by the Students Following the Line of the Imam. The secret and confidential documents which go as far back as 1952 during the days of prime minister Mossadeq, include personal biographies of Bakhtiar and his political career.

The earliest document published in the book about Bakhtiar is a biographical report gathered by the economic assistant of the U.S. embassy, George W. Baris, in Nov. 10, 1952, in which he is considered a politician who would not "hesitate to adopt an extremist position, aligning him with the Communists." At that time Bakhtiar had been appointed undersecretary of labor and was an active member of the Iran Party, which

was closely associated with the National Front. Also in a document dated Sept. 29, an unspecified embassy staff member, by the name of R. H. Bushner, quoted an Iranian source that Bakhtiar was "a real intriguer" who was a "poor administrator as well as a political opportunist".

However, Bakhtiar had begun contact with the embassy in as early as Nov. of 1953. He was chosen by the Iran Party executive committee to establish contact with the Americans to "explain the organization's general position" towards the post coup d'état situation in Iran so that, according to the document, "both sides could find it useful for the embassy to have conversations" with the Party. After this he had a number of other conversations with embassy officials and he gradually came to be trusted by the U.S. embassy political staff members and he was figured in later reports as a "good adm-

nistrator and leader" in contrast to earlier statements mentioned above.

In a document concerning his political views on different issues Bakhtiar, as expected of a liberal western-minded politician, had shown interest in the United States. "The half-freedoms given to the NF (National Front) are not unrelated to the new American policy (referring to the pressures exerted by the Kennedy Administration on the Shah to remove ground for Iranian resistance groups to accuse the regime of repressive and undemocratic policies), so the people look with some favor on the United States," he was quoted as saying in a document dated July 3, 1981. Despite his criticism of the U.S. on certain issues Bakhtiar never made a clear statements concerning his views about imperialism, or in fact on any major issue such as the

monarchy itself. He exploited opposition views to further his own gains and as mentioned in another document "He tends to speak in abstractions rather than specifics". This collection epitomizes very well the nature of Bakhtiar, whose contradictory and conciliatory views were representative of western-oriented Iranian politicians: More willing to do anything to be a "shah" themselves, completely disregarding the people's pure belief in Islam as their only way to salvation and prosperity.

This collection is the twentieth volume of the U.S. documents seized from the U.S. embassy in Tehran during its revolutionary occupation of Nov. 4 1979, and contains other documents concerning Iranian politics in general and various National Front personalities prior to the Islamic Revolution.

CSO: 4600/696

TABRIZ DEPUTY DISCUSSES INTELLIGENCE BODY, 'MINIGROUPS'

GF011336 Tehran ETTEL'A'AT in Persian 24 Jul 82 p 4

[Exclusive interview granted by Dr Milani, Tabriz Majlis deputy, to ETTEL'A'AT correspondent--date not given]

[Excerpts] Regarding the establishment of a national intelligence organization, the Tabriz representative to the Islamic Majlis said:

Those in favor say that the intelligence machinery of the country in the different departments, whether in the courts, the guards, the police and other places, should be completely coordinated and should pool information so that precise data is obtained. What I wish to emphasize is that in every organization that is set up in the country there should be one spokesman who can answer to the Islamic Majlis regarding the logical and illogical aspects of the organization. Therefore, in my opinion, ministries are very important from this point of view, as the Majlis can summon the minister and interrogate him. Therefore, the coordination of the intelligence department in the country is very important. In fact, we should be very sensitive on this point, especially in judicial and security matters. Due to the extreme sensitivity of the matter, those who are in charge should be liable to answer. In this connection the Islamic Majlis and the country's authorities are careful and will never agree to the setting up of an organization which would later pose a problem and for which they might not be able to answer to the people.

Speaking on the dastardly acts of the counterrevolutionary minigroups and the assassination of people who serve the nation, the representative of the people of Tabriz to the Islamic Majlis said: In my opinion the imam's line was an irritant to counterrevolutionary organizations before and after the revolution and this [feeling] surfaced with the assassination of Ayatollah Motazheri.

All those who have deviated from the Islamic revolution have done so because they failed to recognize the [worth of] the people and the great leader of the revolution. What is obvious is that the people endeavor to fill the gap created by the martyrs. Every time they lose one to martyrdom, they become more vigilant and more ideological.

CSO: 4640/424

TEHRANI ANNOUNCES HOLDING OF POLL FOR ASSEMBLY OF EXPERTS

Tehran TEHRAN TIMES in English 24 Jul 82 p 1

[Text]

TEHRAN - Details on the elections of members for the Assembly of Experts and the by-elections for the Islamic Consultative Assembly were announced by the Chief Executive for Elections Mostafa Tehrani Thursday during an interview with the Persian daily Ettela'at.

Tehrani said that arrangements have been made in 24 provinces for holding of the mid elections and the Election Office is in constant touch with the Council of Guardians and the appointed commission to supervise the elections in question.

Tehrani added "about 80 to 90 per cent of the preliminary steps have already been taken and the Supervisory Council has dispatched teams to provinces to assign supervisors.

He said that the task of holding Assembly of Experts elections rests solely on the provincial governors.

Regarding the by-elections of Majlis, Tehrani stated that it would be held in 29 constituencies and as far as the holding of elections in war-affected regions, which involves two constituencies, no decision has yet been taken.

"As per Article 68 of the Constitution, the Interior Ministry must be communicated with the Majlis, and the Council of Guardians approve the President's view before we could arrange for such by-elections," said Tehrani.

In regard to polling stations, the chief elections executive said that there will be 5,337 booths in total, and 2,000 are slated for the capital.

He added that the President has been informed of the readiness of the election committee and are merely awaiting Imam's ordinan.

On the instances of the elections in question, Tehrani said that arrangements have been to hold both the elections simultaneously.

He warned that sticking campaign posters and announcements on traffic signals, hospitals, schools, government buildings and affiliated offices, signboards and on the state-owned buses is prohibited and disciplinary forces and authorized to collect and destroy them.

He also said that daily, weekly, and monthly publications should abide by this restriction during the prohibited election period and if found violating the law will be liable to legal prosecution.

VARIOUS OFFICIAL ACTIONS, DISPOSITIONS REPORTED

Ministers Visit Spain, GDR

Tehran KAYHAN INTERNATIONAL in English 28 Jul 82 p 1

[Text]

TEHRAN, July 27 (IRNA) — The Minister of Industry, Mostafa Hashemi left Tehran this morning for Spain and the German Democratic Republic (GDR). He was accompanied by some officials from the ministries of heavy industry, commerce, oil, mines and metals, foreign affairs and the Central Bank of Iran.

Prior to his departure, Hashemi in an interview here with IRNA, talked about industrial cooperation with the Spain and the GDR. He said the delegation would review the capacity of their industries as well as the possibility for Iran manufacturing mine excavation equipment, component parts for heavy industry, generators, turbines as well as other industrial requirements.

He continued by saying that certain negotiations would be conducted with the cooperation of the commercial ministry for satisfying the country's commercial and industrial needs for primary manufacturing materials.

Regarding the augmentation of cement production inside the country, Hashemi announced that the actual capacity of the country's cement factories totals yearly 13 million tons. He went on and said that last year some 9.5 million tons of cement had been produced and this figure would reach 10 million in the current year. And, he added, in case some of the problems of the factories are solved, Iran would be able to increase its production capacity to 12 or 13 million tons a year.

## Copper Plant Issues Report

Tehran KAYHAN INTERNATIONAL in English 28 Jul 82 p 2

[Text]

KERMAN, July 27 (IRNA) — Since it began operation in late December 1981, the Sarcheshmeh Copper Complex in Iran's central province of Kerman has been able to produce some 4,000 tons of 98.4 percent pure copper.

Mr. Mehdī Hasānpur, the manager of the complex, while making this statement said that the copper kilns began operating in May of this year. Also during this period the amount of copper ore extraction was 2,478 million tons, and the amount of copper concentrate produced was 46,857 thousand tons plus 17,428 tons of lime. Other by-products of the complex include molybdenum, silver, gold and nickel sulfur. At full production the complex can produce some 145,000 tons of copper which, as Mr. Hasānpur said,

could benefit the country's economy and independence greatly when considering the fact that in 1977 Iran imported 20,000 tons of copper products.

Concerning plans for reaching full production and the construction of ancillary plants near the site, he said that during this year some 1.06 billion rials were set aside by the government for buying the necessary technology, construction labor and land which are all being considered by the province's coordination and planning council.

The Sarcheshmeh copper complex was one among many other major industrial projects abandoned by U.S. multi-national companies and partly brought into production by Iranian expertise.

## Air Superiority Claimed

Tehran KAYHAN INTERNATIONAL in English 28 Jul 82 p 2

[Text]

TEHRAN, July 26 (IRNA) — Air Force Commander Colonel Moinipur while speaking to the daily Jomhori Islami said that the Iraqi air force was outmaneuvered by the Iranian air force and that Iraq had lost more than 90 fighters in the operations Fath of Mobin and Bait of Moghaddas, which began March 22 and April 30 respectively.

Assessing the Iraqi air force, the commander of the Iranian air force said the Iraqi regime decided to avoid direct air battles with Iranian pilots because its air force lacked the competence to battle with Iran. He then said the Iraqi pilots were a disgrace to their calling since they bombed military and civilian targets without distinction. He contrasted this behaviour with that of Iranian pilots who once risked their lives, when they saw a car was moving across a bridge, by waiting until it passed and then bombed the bridge.

Speaking on the unmatched competence of Iranian pilots, he

said notwithstanding the economic blockade, and other problems, the Iranian Air Force maintained a high level of performance and was able to bomb the heavily-protected Ad-Dawrah oil refinery inside Iraq. He compared the Iranian Air Force with the Iraqi air force which was armed to the teeth by the superpowers, yet was unable to defeat the Iranian Air Force which relied only on God.

Saying the Iranian air force had the capability to raze Baghdad and all other Iraqi towns to the ground, he said Iran would never carry out such attacks since Islam and Imam Khomeini never allowed the killing of innocent people.

When asked about the role of the air force in the recent Ramadhan operation, Moinipur said it backed the combatants in the operation. He added the Iraqi Air Force evaded facing the Iranian fighter aircraft and instead cowardly bombed innocent civilians of the Iranian border towns.

Customs Clearance Claimed

Tehran KAYHAN INTERNATIONAL in English 28 Jul 82 p 1

[Text]

TEHRAN, JULY 27 (IRNA) — The Deputy Minister of Roads and Transport, Mahdi Karbasian, said here today that despite the slower rate of cargo clearance in the country's southern harbors, created since the outbreak of the Iraqi imposed war, the highest amount possible of cargo has been cleared in these harbors during the recent four months. This, he added, caused the shortening of the long queue of the ships which were waiting for their turn to be evacuated and were each paid 10,000 dollars a day to compensate their loss of time.

The quick clearing of 3,054,654 tons of cargo in this period has

greatly helped to save the country's exchange, he further added. He also said that 4,516,918 tons of cargo had been transferred to the country's internal markets in the same period through 217,847 overland truck hauls.

Talking about the country's need for heavy truck spare parts, Karbasian mentioned, "Twenty-seven million dollars have been provided for importing the needed parts and fortunately 80 percent of them have already entered the customs houses which soon will be distributed among the special stores which have been opened in the southern ports, particularly in Bandar Abbas, for selling these kinds of items."

Islam Seen Filling Vacuum

Tehran KAYHAN INTERNATIONAL in English 28 Jul 82 p 2

[Text]

TEHRAN, July 27 (IRNA) — "The (power) vacuum caused by the Ramadhan offensive should only be filled by the hand of the Muslim people of the region, not by a foreign force," advised the Persian Kayhan newspaper in an editorial published today. Addressing both the progressive and reactionary forces in the region, the editorial said the present situation had taken the initiative from the imperialist forces and "it now lay in the hands of a powerful and independent force meaning the Islamic Revolution of Iran." It added that now was no time for the progressive governments of the region to worry about this power vacuum, but rather "now is the period of revolution not reform."

Answering those countries which ever since the Islamic Revolution have been "worried" about a rise in the U.S. military

presence in the region, the article stressed that exactly the opposite had happened. It said that in fact the influence of the U.S. on regional policies had dropped especially after the beginning of the imposed war.

The paper said that the regional countries knew well that Iraq could not have begun and continued its aggression against Iran for some 22 months without the consent of the U.S. and the huge financial support of its clients in the region. Therefore it added the presence of the U.S. in the region was much deeper at the start of the war than in the present situation said the editorial, "The war of defense by the children of the Islamic Revolution was against the aggression of the Iraqi Baathist regime and against the increasing presence of America in the region."

It then quoted an article from

the New York Times printed on July 14th saying that although Iran's occupation of Iraq threatened the vital interests of the U.S., nevertheless American influence on the trends of events would be minimal.

Concerning the Soviet Union Kayhan said that now was the time to learn a lesson from what the Lebanese and the Palestinians were facing. It said that the Soviets did not come to their support against the massive U.S. and Zionist aggression during each decade while, it added, "The Soviets, as usual, were busy strengthening their thesis of peaceful coexistence and their oil pipeline to Western Europe... What the Islamic Revolution wants to teach the countries of the region" Kayhan concluded, "is that they will gain nothing from the U.S. or the Soviet Union."

CSO: 4600/704

EXAMPLES OF ISLAMIC INFLUENCE ABROAD CITED

Tehran KAYHAN INTERNATIONAL in English 28 Jul 82 p 2

[Editorial by S. Moadab: "Iran and Your Revolution"]

[Text]

A powerful Islamic Iran is better for you than the U.S. and the Soviet Union. This is the latest message of Imam Khomeini delivered to the Persian Gulf states the day before yesterday. Imam in this message touches a very sensitive point. For him, or for us, the power of Iran is the might of Islam and naturally millions of Muslim people living in the region prefer to be a member of a powerful community than to be a servant of one of the two superpowers.

Even though Imam's audience in his latest speech seemingly are the countries around Iran, we can generalize the parties in question to comprise all the Islamic countries. And this is because among Iran and tens of Islamic states a natural pact exists which joins us together. Recently the information minister of Algeria told us in a private meeting that between the Islamic Revolution of Iran and Algeria the basic principle are very much in common. In a visit to the Yugoslav Republic, is one of them, the capital of which is Sarayevoo, we came across an unexpected brotherhood. Walking in the city, visiting a Muslim school, and talking to one of the ex-ministers we discovered that the only thing which separates us is the geographical distance even though the great differences exist between our political system and theirs.

In paying a visit to one of the Islamic associations in Tokyo our Japanese brothers took us to view their small mosque. After driving a long way from the center of Tokyo we arrived there. The feeling of all members of our delegation was that we had arrived at a mosque in southern Tehran. An atmosphere full of sincerity. The case was the same when in a cold evening last year we had the opportunity to go to see the central mosque of Peking. It is true that none of our delegation members spoke even a word of Chinese. But when the "Imam" came and we stood for the evening prayers we all were repeating the same act and the same words. In a train from Munich to Salzburg in Austria we found ourselves in a compartment with some Turkish brothers. The exchange of feeling was incredible. The

respect they were expressing for Imam and the stories they told us, through a friend who spoke fluent Turkish, about the eagerness of our Muslim brothers and sisters in various cities in Turkey, were full of emotion. Back from China in the Dunbay Airport it was near dawn and we stood for praying. When the praying was finished suddenly a young man approached us and asked where we came from. To the surprise of all members of our delegation, as soon as we said Iran, he said "Viva Imam Khomeini." Asked how much he knew about the Imam, he said, Imam is a very strong man. For he is the one who has thrown America out of Iran."

In another mission to North Africa we came to Paris by the Algerian airlines. Two young boys were sitting next to me, one from Senegal and the other from Mauritania. Both of them were young workers in Libya. A short while after the plane took off, a friend started to read a Persian magazine. The Senegalese boy seeing the picture of Imam on one of the pages suddenly started to speak and with his few words of French he made us understand whether we had a picture of Imam for him. His friend who spoke better French served as the interpreter and told us that in Senegal people think of Imam as the man who has the responsibility to save all Muslims from superpowers' domination.

We can mention a hundred of other interesting cases in order to convince our readers that the Islamic Revolution and Imam Khomeini present a hope to the Islamic world. Hope of salvation and freedom from the satanic powers and their devilish agents who serve to safeguard the illegal interests of the superpowers. The direct conclusion of such an expectation is that in Iran all responsible officials, who are appointed to the affairs of international relationship of the Islamic Revolution, must think of these devoted Muslims and friends of Iran.

Reports reaching us from many of the Islamic states tell of the heavy pressures that Muslim masses exert up on their respective governments to put more facilities at their disposal to know more about Iran and the Islamic Revolution.

Thanks to Allah that owing to this popular influence, some of the governments in the Muslim countries have been forced to change their hostile or unfriendly policy towards Iran. But it is sad to say that there are still some reactionary regimes who close their eyes to the bare realities. It goes without saying that to these regimes we have no commitment not to accept the rules of reciprocity and if necessary ask our brothers and sisters in their country to express more practically their degree of support and solidarity to the Islamic Republic.

Coming to the end of this new series of editorials we outline our conclusions:

1. We wish to have brotherly relations with those who desire to deal with us according to the Islamic principle.
2. With all those who provoke us or let themselves be used as a means of threat against us, according to our Islamic values, we see no reason not to show our determination in bringing them to reason.

3. The main audiences of the Islamic Revolution are the people and it is natural that in countries where people choose their own leaders we will be happy & have cordial relations with these leaders.

4. In countries under the superpowers' domination we will less great expectations from the people to get help in order to free themselves. Whatever the extent of engagement of the Islamic Republic (IR) in dealing with the counterrevolutionaries we will respond to these legitimate calls for help.

5. The Islamic Revolution is new hope for the world and with it is born a new force. Iran is the leap dive for other Islamic Revolutions to come about.

Therefore, Iran and the IR belong to all Muslims. All its achievements obtained in these three years have received great contribution from millions of Muslims elsewhere. And needless to emphasize that because of this feeling of common interests and common fate between Iran and other Muslim countries, in case of a danger our potential will be realized in a devastating force which will stand before any kind of threat.

6. As three years of experience has shown Iran is becoming more powerful everyday and its enemies are losing hopes and finally will bow before the powerful forces of the Islamic Iran.

— S. Moadab

CSO: 4600/703

## RECENT FOREIGN TRADE RELATIONS REPORTED

Tehran IRAN PRESS DIGEST in English 27 Jul 82 pp 2-4

[Text] DPRY: On July 19, 1982, the IRI government and the Democratic People's Republic of Yemen (DPRY) signed a one-year economic agreement. According to the agreement, Iran would export food, pharmaceutical, agricultural and industrial products to Yemen, while the latter will review its export potential to Iran. This agreement could be renewed every year upon the mutual consent of the two countries. According to foreign news agencies, during the war, Iranian oil has been refined in DPRY's refineries. This point has not been confirmed by Iranian officials.

Japan: On July 20, 1982, the Deputy Commerce Minister of Export Affairs, Ali Naghi Khamoushi left Tehran, to pay a ten day visit to Japan. The intention of this visit was to display an exhibition for Iranian goods. This exhibition has been organised by Japanese Export and Trade Organisation (JETRO) and will run for 60 days. Khamoushi also would conduct negotiations and exchange information with his counterparts to Japan. It was indicated that Iran could export traditional industrial commodities, agricultural products, and dried fruit to Japan. It must be added that the commercial ties between the two countries had been stopped for a time and this visit indicates a moderation of trade and commercial ties between the two countries. Previously the overwhelming Iranian export to Japan had been oil and now, according to Iranian officials, increase of non-oil products has been planned. In return Iran will import essential commodities from Japan.

Pakistan: On July 22, 1982, the Pakistani Ambassador to IRI, Abdol Malik Khattack, met and conferred with the Minister of Labour and Social Affairs, Ahmad Tavakali. In this meeting the Ambassador expressed hope to expand the relationship with IRI in the industrial, agricultural and banking fields and particularly in the planning of economic and social welfare programs.

Spain: On July 21, 1982, the Ambassador of IRI to Spain, Abdul Karim Sanaea Farukhi met and conferred with the Spanish Foreign Minister, Perez Liorco. In this meeting both parties expressed their desire for expanded bilateral relations.

Bulgaria: On July 24, 1982, the Ambassador of Bulgaria to Tehran, Veliko Enchev together with Commercial Attache of the Bulgarian Embassy, met and conferred with the Minister of Agriculture and Rural Development, Salamat. In this meeting discussions of mutual economic and agricultural relations were held.

Italy: The Managing Director of the National Iranian Gas Company (NIGC), Jamshid Sardari, announced that NIGC had signed an agreement with the Italian firm Novo Pignone. Italy will provide Iran with meters for industrial and household natural gas consumption. In addition IRI will be able to import the required technology for eventually manufacturing the meters domestically. These meters will be imported within a year, and the Italian Company will ask no charge for the export of its technology to Iran.

Algeria: After the recent visit to Algeria, the Energy Minister, Dr. Hasan Ghafuri Fard summarized the result of discussions of the two countries in the field of energy, as follows. In Algeria the officials discussed on exploitation of potential hydroelectric, nuclear and experimental energy sources. Iran will cooperate with Algeria in making and exporting electrical hardware including cables, transformers, current meters. Iran would in turn benefit from Algeria's experience in the field of unconventional and solar energy sources. Algeria also intends to cooperate with Iran in dam construction, the establishment of power stations and high-tension lines.

At the same time, the Commercial and International Affairs Deputy of Ministry of Oil, Abbas Honardust in an interview, pointed out that Iranian oil experts would be despatched to Algeria and an agreement was signed between the two countries on this issue. Also a proposal on a joint technical oil company with Algeria was approved by both parties. At the same time, some agreements on cooperation in the field of gas was discussed in Algeria, during the recent visit of Iranian delegation to Algeria.

#### Imports

A sum of 61,969 tons of commodities including iron, wood, chemicals, walnut wood, chemical fertilizers and urea were imported to Iran through the North Coast by 23 freight ships and discharged in Bandar Anzali, during June 22-July 22. Also, according to officials two tons of cars and household appliances were loaded there and 53,077 tons of goods were transferred to the inland market of the country by 3,219 trucks during the same period.

#### Oil

Iranian Deputy Minister of Oil in Charge of International Affairs, Dr. Abbas Honardust in a televised interview on July 25, stated that IRI has cancelled its agreements with member companies of the International Oil Consortium and a special commission will study all oil agreements in near future. He added that some 27 oil companies have misused oil resources. Out of this number 17 are American companies. Honardust added that late 1979, with the approval of the Revolutionary Council, a special Commission was formed to study all existing oil agreements and to cancel those which were not in the

interest of Iran. At the time Iran outlined this position for the consortium headquarters in London and explained that Iran would not recognise any court or arbiter to study the claims raised by annulment of the said agreements unless it was the consortium itself. The oil companies were also told that Iran was ready to attend negotiations to study any dispute and they were assured that Iran would observe Islamic justice. Honardust added that Iran reached an understanding with Italian, Spanish and Belgium companies and in agreements signed between these companies and Iran, they announced that they had no claim in connection with the cancelled agreements and would be ordinary customers for Iranian crude oil. Iran expected the other companies to do the same and be ready for negotiations. The texts of agreements have been prepared, the Prime Minister has approved them and Central Bank of Iran also was informed.

#### Fishery

According to the Head of the Board of Directors of Iran's Fisheries, Asadollah Hazrattzadeh, the catch of Northern Fisheries reached 5 thousand tons during the last year, of which 3,500 tons were caught by the fishermen of Mazanderan, the eastern sea province--this amount is 8 times more than the catch in 1980. He also indicated that this amount would reach 7,500 tons in the current year. In 1981 some 1,300 tons of herring fish were caught by the fishing fleet and it was expected this catch would rise to 2,000 tons in 1982, while last year's catch was twice that of the previous year. The exported catch earned \$20 million in exchange for the government treasury, and the Iranian Fisheries were going to buy 200 motor boats from Japan to increase the catch of sturgeon and caviar.

Referring to an article of "Der Spiegel" magazine published in West Germany about the smuggling of spoilt caviar to other countries from Iran, the head of the Public Relations Office of Northern Iranian Fisheries of Mazanderan Province, Hojjatol Islam Fazel, while denying this accusation, pointed out that fishing the pregnant sturgeon and packaging the caviar in Iran, takes place according to standard regulations. Caviar is added by a special preservative imported from Soviet Union. He finally added that the rate of the export of caviar, during past year, had been fluctuating.

CSO: 4600/706

## SOCIOECONOMIC GOALS OUTLINED FOR 20 YEARS

Tehran IRAN PRESS DIGEST in English 27 Jul 82 pp 5-6

[Text] In this report, we attempt to make an overall survey of the objectives in mineral and industrial fields, as also the quantitative objectives in employment, infrastructural and other servicing spheres.

From the viewpoint of the IRI constitution, one of the main objectives of the country is to expand full & productive job-creating opportunities for the whole active population of Iran in the shortest possible time. Based on the current estimates and assessments, the total active manpower in the society in 1982 stands at 11.72 million people, of which 8.62 million are already employed while 3.1 million are jobless. Out of this 3.1 million jobless people, half a million individuals are estimated to relate to the war-hit areas; 14 hundred thousand are those being out of job seasonally; and 1250 thousand others are the permanently jobless people. An anticipation of the active population for the next 20-year period indicates that during each one of the first to fourth 5-year development programs, there could respectively be added 1.9, 2.25, 2.62 and 3.05 million people to the active manpower of the country.

There should be created job opportunities, in the first 5-year program, for the permanently jobless people, those made jobless in the war-hit areas, and also for the new manpower entering the job market. In the second 5-year program, jobs should be provided to the seasonally-jobless people and the new manpower entering the job market during that period. Thus, at the end of the second 5-year program, there would be achieved total employment in the country. From the third 5-year program onwards, there should be job for the new manpower which enters the job market. Creation of this number of new jobs can only be achieved by choosing suitable technology and bringing about political upheavals in executive techniques in various sectors. The 10th Planning Group, with due help from various regional planning councils, must specify the share of each region in creating new jobs. The necessary planning should be carried out by each region in respect of selection of technology and suitable executive methods proportionate to creation of that number of jobs suited to it.

Industrial development in the country should be undertaken to achieve the planned objectives and industrial & economic independence, coupled with the

bolstering of the defence capabilities with a speed proportionate to the national resources. It would not be possible to achieve the goals of industrial development without expanding the industry related to production of machine tools, implements and the needed raw materials. However, in case industrial progress strictly limits itself to the specific goals set in this respect, it would lead to the strengthening of the economic base and production capacity of the country, and make possible achievement of those objectives. While setting the objectives and industrial development policies, the following priorities should be paid due attention:

- a. Basic commodities needed by the country, such as garments and medicines, should be produced mostly in the country.
- b. The farm industries, producing the farm implements or those consuming farm output should be expanded so as the prospects of access to the farm development objectives to fulfill industrial needs could be made possible.
- c. During the first ten years, the foundation of intermediary and machine tool industries should be laid so that oil exports could be reduced in the next decade. Domestic output of intermediary & machine tool industries, along with the ever decreasing import prospects would go to meet the economic needs, and thus realise the objectives of attaining economic independence.
- d. Expansion of military industries in order to have greater self-sufficiency in the defence base should be paid due attention.
- e. Considering the huge deposits of natural gas and oil resources in the country, expansion of petrochemical industry whose products could, while meeting the domestic needs, also play a major role in replacing our oil exports, should be undertaken.
- f. Since, in the light of the existing big reserves of natural gas in the country, efforts are to be made to replace, to the maximum the use of oil in industries by natural gas as the source of energy, there is a need to set up essential industries to expand the gas supply network (such as pipe, connections, meter production).
- g. Establishment of rural industries that could employ villagers in their leisure time to enable them to earn more revenues by using simple technology, should be paid due attention. Such industry would also discourage migration of rural people to urban areas, and hence prevent abnormal explosion in urban population.
- h. While setting up basic and mother industries, attention should be paid to the craftsmen and small scale industrial units that form the main industrial nucleus, and the necessary link should be brought about, on the one hand, between craftsmen & small industrial units, and between the big and mother industries on the other so that these two industries could supplement one another and progress side by side.

- i. In view of the objectives set in the housing sector, necessary construction industries should be established to attain the same.
- j. The industries whose output boosts non-oil exports should be expanded. Expansion of such industries is very essential for increasing the non-oil exports especially after the first 10 years when our oil exports are to register decline. In this respect, such mineral resources, which give Iran a relative superiority in international markets, should be paid due attention in setting up industries that convert these minerals into products to be offered to world markets.

CSO: 4600/706

**USSR, SOVIET FLAG REVILED PUBLICLY**

Tehran IRAN PRESS DIGEST in English 27 Jul 82 pp 5-6

[Text] In his Eidol Fetr message, President Khamenei once again hit out at the Soviet Union and said: "USSR too hasn't yet discontinued its aid to Iraq. The satellites of the two super powers have to their best efforts, extended help to Iraq in political, propaganda, military and armament spheres" (Jomhouri Islami, July 24).

At that gathering, as well as during the Friday prayers congregation the very next day, the slogans of "Down with USSR" were repeated in a clear-cut manner. Also the Soviet flag, similar to that of USA, has been painted on the surface of some of the local streets so that the people could, by passing over them, express their hatred and indignation towards the Soviet policy.

It must be said in general that during the recent few weeks, Iran's political atmosphere has been appreciably filled up with anti-Soviet sentiments and feelings. Observers believe that this hostile atmosphere has been created due to two reasons: first, the Soviet representative at the UN Security Council voted in favour of the resolution calling for a cease-fire in the Irano-Iraqi war while IRI, at least, hoped for a vote of abstention from the Soviet Union, second, the Soviet officials have reproached IRI for Iranian attack against the Iraqi soil in their secret messages, and have cautioned it against making any advance towards Baghdad.

The Daily "Wall Street Journal", in one of its issues last week, has referred to the coolness in the Irano-Soviet relations, and considered it as something unavoidable. In the opinion of this newspaper, the Soviet policy vis-a-vis the Irano-Iraqi war is faced with a problematic situation since, on the one hand, because of the friendship treaty which it has with Iraq, the Soviets must extend military help to the Iraqi government at this juncture when its soil has come under an attack. On the other hand, the Soviet Union is greatly interested in preserving its cordial ties with Iran and disfavours losing the same.

In his last week's Friday prayers sermon (July 23), Mousavi Aruebilli indirectly criticised the Soviet policy towards Iraq and said: "The Tudeh Party used to contend 'I am Hezbollahi and adhere to the line of Imam

Khomeini'. But when the war entered its sensitive phase, it gave an analysis, spat its poison, and came out to be in unison with its master" (Jomhouri Islami, July 24).

There hasn't been shown any reaction by the Soviet officials thus far in the face of the unfriendly attitude of their Iranian counterparts. The Soviet Union mass communication media while quoting the military communiquees of the two warring sides of Iran and Iraq, contend themselves to being neutral. But, at the same time, they are continuing to give counsels on bringing a speedy end to the war between Iran and Iraq.

CSO: 4600/706

## YEAR'S COMMODITY PRICE INDICES REPORTED

Tehran IRAN PRESS DIGEST in English 27 Jul 82 pp 12-13

[Text] The Central Bank of Iran has released statistics on Commodity & Consumer Services price indices for urban areas of the country in Farvardin 1361 (March-April 1982). These price indices rose to 335.1 in Farvardin 1361 showing a rise of 1.1 percent compared to the preceding month which was the least during the past few years. The price indices in Farvardin 1361 rose up to 16.6 percent as compared to corresponding month in 1360. What caused an adjustment in the monthly rise of price index in Farvardin 1361 was, in the first degree, an appreciable fall in the seasonal rise of fresh fruit prices which stood at 5.3 percent in the said month but which had risen by 48.6 percent in Farvardin in 1360. Another major factor was a sharp decline in the prices of cars in open market that had risen unprecedentedly in the last months of 1360. It must be noted that prices of a number of goods & services, such as cold drinks, washing powder, some cigarettes and telephone calls, had been hiked officially by the government. Also main items in vegetable group such as onions and tomatoes unusually rose considerably in the said month. There was also a sharp rise in the prices of some other goods & services, such as grains, most of the dairy products, restaurant-served dishes, garments, household goods, car repairs & maintenance, make-up charges, and construction workers' wages. However, the prices of red meat, after the sharp and uninterrupted rise of the past few months, enjoyed considerable stability. Similarly cheese prices, because of a good distribution system in fixed prices, showed decline in various cities. There was also some decline in gold and ornaments prices.

The food, cold drinks and cigarettes group showed a price rise of 3.3 percent in this month, with the rise of 1.6 percent in grains, 1.4 percent in dairy products & eggs, 3.7 percent in fish, 0.9 percent in tea and 2.5 percent in restaurant food, 4.1 percent in domestic & foreign cigarettes, and 21.4 percent in cold drinks. There was a considerable stability in the prices of rice, red meat, oil shortening, dry fruits, and sugar. After eliminating the seasonal fluctuations, price index in this group declined by 0.5 percent but rose up by 15.4 percent as compared to Farvardin 1360.

In this month, price index of bread group showed a decline of 0.6 percent, with flour and its products going up by 0.5 percent. Overall, it showed a rise of 1.2 percent as compared to Farvardin 1360. In the dairy products &

eggs group, price index showed a rise of 18.8 percent compared to the corresponding month in 1360 because of the rise of increase in prices of milk by 26.4 percent, cheese by 37 percent, yoghurt 27.9 percent, and ice cream 9.2 percent. Egg prices enjoyed considerable stability. The meat, chicken and fish group, after deleting seasonal fluctuations showed a rise of 0.1 percent but a rise of 23.9 percent in comparison to Farvardin 1360. During one year, red meat price rose by 22.9 percent, fish by 69.3 percent but fish prices declined by 1.1 percent.

In the vegetable & fresh fruit group, there was a seasonal price rise of 9.2 percent in the month showing a rise of 48.4 percent compared to Farvardin 1360. In the dry fruit group, pistachio and raisin prices were relatively constant similar to that of the canned food goods. There was a rise of 1.5 percent in the foreign tea prices. The steep rise in restaurant-served food prices which had begun several years ago, continued in the month, going up to 2.5 percent. Compared to the corresponding month in 1360, the prices went up by 31.7 percent in this case, while sugar & its products rose up by 4.8 percent and cigarettes by 26.5 percent. In the garments group, price index went up by 1.2 percent in the said month. The ready-made garments price showed 1.0 percent rise. The shoes group showed a price of 1.2 percent in the month. The garments group price index, after eliminating seasonal fluctuations, showed a rise of 1.7 percent and an increase of 19.6 percent over those ranging in Farvardin 1360.

There wasn't much activity in the construction group in the month, and due to this, there wasn't observed any appreciable change in the prices of many of the construction materials. There was, however, a rise of 1.6 percent in the iron doors & windows prices, but due to stiff control on iron bar distribution, its prices declined by 2.3 percent. Despite stagnation in construction activities, the masonry and ordinary workers' wages rose up by 1.2 and 1.6 percent respectively, thus taking the construction services price index up by 1.2 percent. Prices of all fuel items enjoyed considerable stability. The overall price index in housing and fuel group showed a rise of 8.3 percent as compared to that of Farvardin 1360. During this period construction material prices were hiked by 6.5 percent, construction services by 14.7 percent, fuel by 11 percent and house rents by 7.8 percent. (Ettela'at, July 18)

CSO: 4600/706

INDUSTRIAL MISSION LEAVES FOR SPAIN, GDR

Tehran TEHRAN TIMES in English 28 Jul 82 p 2

[Text]

TEHRAN (IRNA) - The Minister of Industry, Mostafa Hashemi left Tehran yesterday for Spain and the German Democratic Republic (GDR). He was accompanied by some officials from the ministries of heavy industry, commerce, oil, mines and metals, foreign affairs and the Central Bank of Iran.

Prior to his departure, Hashemi in an interview here with IRNA talked about industrial cooperation with Spain and the GDR. He said the delegation would review with capacity of their industries as well as the possibility of Iran manufacturing mineral equipment, component parts for heavy industry, generators, turbines as well as other industrial requirements.

He continued to say that

certain negotiations would be conducted with the cooperation of the commercial ministry for satisfying the country's commercial and industrial needs for primary manufacturing material.

Regarding the augmentation of cement production inside the country Hashemi announced that the annual production capacity of the country's cement factories totals 13 million tons. He went on to say that last year some 9.5 million tons of cement had been produced and this figure would reach 10 million in the current year. He added in case some of the problems of the factories are solved, Iran would be able to reach its capacity production to 12 or 13 million tons a year.

CSO: 4600/698

IRAN, CHINA SIGN NOTE OF UNDERSTANDING

Tehran TEHRAN TIMES in English 27 Jul 82 p 2

[Text]

TEHRAN (IRNA) - The results of the tour of an Iranian economic mission to the People's Republic of China were announced by Dr. Abbas Ali Zali, the Deputy Minister of Agriculture, yesterday in a press conference.

He said that after the Iranian mission held talks with Chinese officials both parties signed a note of understanding. He added that during recent years China's agriculture had improved and learning the experiences of the Chinese in the field would be useful for Iranians in planning projects in the country.

Dr. Zali also added that in the field of heavy industries although China's technology in agro-industry and metallurgy appeared unsophisticated it had proven its effectiveness. He

added that on commercial issues, the Chinese were interested in increasing the level of commercial ties. He said that Chinese officials had talked about exporting goods which Iran was not able to produce at the present time along with textiles and in return receiving crude oil, ore, pistachios and dates to which both sides agreed in principle.

They also agreed to exchange technicians between both countries to apply the experiences of the Chinese in Iran, said Dr. Zali.

The Deputy Minister of Agriculture also said that bicycles, spades, picks and textiles were among the goods to be exported to Iran. Dr. Zali concluded that the trade between both countries in 1983 would reach the level of \$ 500

million and also some agriculture students would be exchanged.

The delegation returned to Tehran Sunday evening.

At the airport they were welcomed by the Ambassador of the People's Republic of China. The head of the delegation described the results of the trip as satisfactory and stated that the two countries reached agreements in the field of agriculture, industry, and trade.

The Iranian delegation consisted of representatives from the ministries of Commerce, Foreign Affairs, Agriculture, the Textile Industry, the Small Industries Organization, and Rural Cooperatives.

## COMMERCIAL MISSION OFF TO JAPAN

Tehran TEHRAN TIMES in English 21 Jul 82 p 2

[Text]

TEHRAN (IRNA) - The Deputy Commerce Minister of Export Affairs, Ali Naqi Khamoushi left Tehran yesterday, morning to pay a ten day visit to Japan.

Prior to his departure he said this trip was to open an exclusive exhibition in Japan displaying Iranian export goods for Japanese visitors and importers. This exhibition is being organized through the Japanese Export and Trade Organization (JETRO) and will run for sixty (60) days.

During his stay there, Khamoushi said that he would conduct negotiations and exchange information with Iranian exporters and Japanese commercial officials.

Concerning current Iranian export trade to Japan, Khamoushi stated that Iran was able to export various traditional industrial commodities, agricultural products and dried fruits.

Regarding the current sta-

tes of commercial ties between Iran and Japan, he remarked that after a temporary stoppage in commercial exchanges between the two countries, commercial trade had reached a moderate level and the balance between the two countries was in favor of Iran. The Deputy Minister said, "unfortunately the overwhelming Iranian export to Japan was oil. He added that the Iranian Commerce Ministry was planning to increase significantly the amount of non-oil related goods exported to Japan.

On the volume of Iranian imports from Japan, Khamoushi commented, that contrary to the attitude taken during the former regime, the policy of the Islamic Republic of Iran was based on importation of essential commodities. He concluded that the type and amount of imported goods was being determined by Iran directly.

CSD: 4600/686

NPCI MISSION BACK FROM JAPAN

Tehran TEHRAN TIMES in English 27 Jul 82 p 2

[Text]

TEHRAN (IRNA) - The technical mission of the National Petrochemical Company of Iran which went to Tokyo last week for negotiations with the Japanese partner of the Iran-Japan Petrochemical Company returned to Tehran on Sunday, said the spokesman of the National Petrochemical Company of Iran.

On the results of the technical mission, the spokesman said that in previous negotiations, the Japanese partner had accepted that if the financial problems of the project under construction and 85 percent complete at Imam Khomeini port were solved in any way, the partner would render Iran any technical cooperation and assistance for completing the project.

But despite of the Japanese partner accepting Iran's proposed financial solutions said the spokesman, the Japanese part-

ner had not seriously pursued the financial solution and had not given any exact response to the Iranian technical mission on when they would resume preliminary works and preparing project planning.

After ending the negotiations the Japanese partner said it would consider its Iranian partner's opinion and in a week it would announce its financial decision. If the conditions of the Japanese partner were accepted by the Iranian technical mission the next round of the negotiations probably would be held in Iran.

The spokesman said that given the determination of the Islamic Republic of Iran to finish this capital-intensive project, as soon as possible, the Japanese partners should announce their position and respect their previous commitments.

CSO: 4600/697

SOUTHERN FISHERIES CATCH UP

Tehran TEHRAN TIMES in English 27 Jul 82 p 2

[Text]

TEHRAN (IRNA) - The total catch of the southern fisheries in the current Iranian year was 12,400 tons, announced the Managing Director of the Southern Fisheries, Haddad, Sunday morning in a press conference.

This figure, he added showed a 74 percent rise over the catch in the same period two years ago. He said the catch was expected to be more in future.

Concerning the usefulness of the ship factor rented from Poland, Haddad remarked that the output of this ship within the last 5 months was 1,300 tons of fish and 450 tons of fish powder.

Regarding the contract signed between the Islamic Republic of Iran and the Democratic People's Republic of Korea, Haddad said there were two main fishing ships from the DPRK being run by the Southern Fisheries each with a capacity of 3,750 tons and an output of 530 tons of fish.

According to the contract, Haddad continued the ships' operators were obliged to deliver the catch to Iran and to provide the Iranian personnel working on-board with training so that all-Iranian crews could run the vessels in future.

CSO: 4600/697

CAVIAR QUALITY CONTROL STRICTLY ENFORCED

Tehran TEHRAN TIMES in English 21 Jul 82 p 2

[Text]

**BABOL SAR, (IRNA)** - The sale of caviar and sturgeon to other countries had become a political issue after the Islamic Revolution of Iran and especially after the imposed Iraqi war began, said Hojjatoleslam Fazel, the head of the Public Relations Office of the Northern Iranian Fisheries of Mazandaran Province.

Referring to an article of "Der Spiegel" magazine published in West Germany about the smuggling of spoiled caviar to other countries Fazel said that 'Der Spiegel' sought to show that the Islamic Republic of Iran was the enemy of the non-Muslim countries which was irresponsible and was sending spoiled caviar to other countries. Iranian caviar is packaged with strict quality control in special standard boxes with the trademark of the Iranian Fisheries added Fazel.

Fishing the pregnant sturgeon and packaging the caviar in Iran, Fazel said, took place at regular seasons. The netted sturgeon are delivered to the nearest cannery of the Fisheries Organization on the coast, added Fazel. He further said that the workers of the organization removed the caviar from the fish, cleaned it, and then salted it adding a preservative imported from the Soviet Union, he added. Caviar was kept in cold storage but not frozen until it was sent to Gilan Province for packaging, said Fazel.

Fazel concluded that after the Islamic Revolution of Iran, and the imposition of economic sanctions on Iran by the U.S. and some European countries, the rate of the export of caviar had been fluctuating.

## DAILY ENERGY CONSUMPTION FOR 1981 REPORTED

Tehran IRAN PRESS SERVICE in English 27 Jul 82 pp 7-8

[Text]	<u>Type of Energy</u>	<u>Amount</u>	<u>Percentage</u>
	Oil	463,000	77.9
	Natural Gas	94,000	15.8
	Hydel Power	30,000	5.0
	Miscellaneous	7,800	1.3

Expansion of mineral activities in the country is significant in two respects: firstly, production of intermediary goods at domestic level, which are badly needed to attain economic independence, is not possible without increasing mineral operations and extraction of the needed war materials. Secondly, the country's mines are the potential resources which can play a very important role in replacing oil by non-oil exports through extraction and production work over the extracted minerals. Hence, keeping in mind the role of minerals in bringing about economic independence and expansion of non-oil exports, expansion of minerals occupies special significance in the future economy of our country. The following priorities should be paid attention while setting objectives & policies in mineral sphere.

1. Minerals essential for meeting raw materials of our intermediary industries should be expanded so that these industries, planned to be set up in the first decade, could be met in their mineral needs.
2. Minerals which can act as the base of our export industries, should be tapped and expanded so that, in the second decade of industrial development, when oil exports are to be decreased, there could be great scope for boosting non-oil exports to meet our foreign exchange needs.

It is, therefore, natural that export of crude minerals isn't included in our future strategy. Rather, maximum efforts should be made to turn mineral ores into products and to export the same. In this respect, mutual coordination between the mineral and industrial sectors is essential for the production of export goods from mineral ores. Objectives and policies on expansion of infrastructural and other servicing sectors, such as distribution, transportation, banking etc., should be well coordinated and devised

so as to realise the related qualitative and quantitative goals. The Tenth Planning Group, in due cooperation with planning committees in various Ministries should take necessary measures in this regard.

Oil is a God-gifted wealth which can be used to speed up the pace of socio-economic progress of the Islamic state of Iran. Despite the fact that this wealth was wasted, in the past, to bring about a consumer and foreign-linked economy, it can, in future be utilised to speedily create a strong and independent economy in this country and with the help of which attainment of the objectives, outlined in the socio-economic development policy, can be expedited. In this regard, a part of our oil resources can, in the next 20 years, be turned into productive wealth (i.e. into infrastructural & productive resources) so that we could, while speeding up the pace of the increasing power of IRI, pass on the infrastructural industries, thus created, to the next generation. In undertaking this task, efforts should be made to turn the direction of the long-term economy towards a structure independent of oil exports. In this respect, the economic planners should have idea as to what amount of crude can be exported during the next 20 years, and what should be the mode of its distribution during that period. Specification of these points to the planners would make them familiar with the resources that they can utilise in their planning space so as to enable them to realistically formulate their development objectives & programs. Here, we present, with due regard to the discussions already held by the Economic Council, a proposal on the amount of our oil exports in the next 20 years and the mode of their distribution over the period.

The already recognised oil resources of Iran were estimated to stand at 59 billion barrels in 1982. A part of these reserves would be used domestically during the next 20 years, while a portion of it is to be exported and some of it too is to be preserved for use after the year 2002. Daily consumption of energy at domestic level, as assessed by the Energy Council and appearing in the table given in this report, was to the extent of 594,800 barrels in 1981. In case Iran's GNP, as estimated by the Tenth Planning Group, which stands at 9413 billion rials in 1982 reaches 38016.4 billion rials in the year 2002, then the domestic energy consumption, as estimated by the council, would be 346 thousand barrels per day. If we, with due regard to the rich natural gas reserves in the country, meet 50 percent of our consumption needs in the year 2002 with natural gas, then domestic crude consumption in that year would come down to 173 thousand barrels per day. Based on these calculations, total domestic consumption of oil during 1982-2002 period is estimated at nearly 7.5 billion barrels. If our oil exports are gradually reduced to one million barrels a day in 2002 and the existing crude reserves in that year supposed to last for 25 years, in that case the reserves required in 2002 would be  $(1.73+1) \times 364 \times 25 - 1000 = 24.8$  billion barrels. Based on this the amount of crude that can be exported in this period would be  $59 - 24.8 - 7.5 = 24.7$  billion barrels. However, we can leave margin for any problems in output & sale and for the use of crude in petrochemical industry, and hence set Iran's oil exports at 75 percent of this amount to stand at 20 billion barrels during the next 20 years. These oil exports should be so distributed that during the first 10 years, by

exporting larger quantities of crude, Iran could make more investments in industries that produce results and bring revenues in the next decade. Hence oil exports should be 1 million barrels in 2002. The Tenth Planning Group should adequately consider these factors in its planning. All the Planning Councils in Ministries should coordinate their strategies with the objectives of the Tenth Planning Council to achieve the quantitative goals at national level. (Ettela'at, June 27).

CSO: 4600/706

DIRECTOR REPORTS PROGRESS IN CARPET INDUSTRY

Tehran IRAN PRESS DIGEST in English 27 Jul 82 pp 9-12

[Interview with Ahmad Nuri, managing director of Iran Carpet Company]

[Text] This week, we had an interview with the Managing Director of the Iran Carpet Company, Ahmad Nouri, during which he threw light on various issues including the number of carpet workshops, government's link with carpet producers, progress in carpet manufacture in the post-revolutionary period, export control, and carpet sales to government employees on instalment basis. The following are the main points of the interview:

Question: How many government workshops are currently engaged in carpet production?

Answer: Prior to the Islamic Revolution, government workshops were specific to the Islamic Iran Carpet Company (ICC). But after the Revolution, the Reconstruction Crusade and some other organs, because of the pressing needs, entered the field. The ICC during Oct-March in 1981 owned a total of 8,308 carpet weaving workshops in 38 of its branches in various provinces with a total staff of 14,575 people. Of course, these include some trainees. We have set up 20 workshops in Boyer Ahmad & Kohkilouyeh and have some trainees in province of Sistan & Baluchestan whose number is on the increase. After the trainees complete six months of training, they are included in the participation plan with ICC, and good-quality raw materials and loans are given to them along with sales guarantee for carpets. We also make provision for carpet weavers' welfare.

Question: Is this plan on participation of the staff in the accruing profits applied in all carpet workshops?

Answer: Until now, this plan has been implemented in nearly 60 percent of all the workshops. This plan is being gradually implemented in other workshops as well as and when the contracted are signed. In some cases, workshops agree to work in their own usual system, preferring it over our plan, as in Ghom, Kashan and some other places. However, this plan has been welcomed in most places.

Question: As a whole, it can be said that your link in the government workshops with producers is based on making them participate in the profit-sharing plan.

Answer: Yes, exactly. Prior to the Revolution, this plan didn't exist and both the ICC and carpet weavers were deprived of their due share because of the exploitative system. However, this problem has now been resolved. Neither ICC is running at a loss nor are the employees deprived of their due share of profits.

Question: There was criticism previously that worst conditions exist for carpet weavers, with employers exploiting them and government neglecting to redress them. What measures has ICC taken in this respect? Is the private sector dutybound to follow this plan?

Answer: It can be said that 10 percent of Iran's population comprises of carpet weavers who hail from the deprived class of the society. The government must put adequate resources at the disposal of ICC so that it could increase carpet output and check exploitation by private sector through supplying the weavers with best raw materials and designs as well as purchase guarantee. However, the government has so far extended no help. The government decision of April last to grant a subsidy of 300 million tomans to ICC has not yet been implemented.

Question: Have you taken welfare measures in respect of the staff in government workshops?

Answer: Social security is one of the most vital issues of the carpet weavers since they can work up to a maximum of 20 years. However, most of them have no savings to lead their lives at that time. We have, in a proposal to the Social Security Organisation of the Labour Ministry, urged them to deposit an amount to his wages as his social security fund which he could benefit in later stage of life. This proposal is being pursued. There is either a bill in the Majlis on social security or to be presented soon. We hope to offer good facilities to the small workshops.

Question: Do you have any statistics on carpet workshops in the private sector?

Answer: Unfortunately, our country suffers due to lack of statistics. It was, however, said at a seminar last week that there are five million workers in private carpet industry. Some say this figure is seven million or as low as four million. Hence we cannot give you accurate figures but hope to acquire correct statistics.

Question: What has been the pace of carpet output after the Revolution, and where does it stand now?

Answer: What is significant is quality rather than quantity in carpet industry in the light of all these rivals like India, Pakistan, Romania, China and Egypt in the world. We must weave high quality carpets preserving our

ancient originality. This is what is aimed at by the ICC Managing Committee officials. To help improve the quality of private sector stuff, the government must put sources at its disposal.

Question: Has there been a rising or declining trend in carpet output after the Revolution?

Answer: In 1980, a total of 6,581 ICC-owned carpet workshops produced 23,247 meters of carpet, with 13,369 workers employed in them. In April-September 1981 period, output was 12,950 meters and in Oct. 1981-March 1982 period, production amounted to 14,717 meters, with the total number of workers in April 81-March 82 period being 14,575. In 1982, we want to boost output by 50 percent relying on improved quality of carpets. ICC wants to start workshops in the deprived areas to help the poor masses as also to prevent their migration. We also want to instal carpet workshops in prisons, and even now the best quality carpets are being woven in Mashad Prison where there are three big workshops.

Question: What is the carpet export position?

Answer: It is faced with a big crisis. After the Revolution, large quantities of carpets were being exported, with some profiteers exporting them in illegal manner, thus creating problems in respect of domestic carpet prices and also for the lawful carpet exporters who couldn't compete with these carpet smugglers in terms of prices abroad. This trend caused much loss to our carpet exports. Another factor is the ailing European economy which couldn't pay carpet prices in foreign exchange, and this too proved beneficial to carpet smugglers. In case the government can check this smuggling and also provide facilities to exporters giving incentive to investors, then they would be encouraged to make investments in this industry. Till the time, there is not brought about a balance in carpet prices, this inflationary trend and the present crisis cannot be overcome.

Question: How does ICC control carpet exports at present?

Answer: Of course, it has 100 percent control over them. Prior to the Revolution, there was no question of the return of foreign exchange. Until some months after the Revolution, the Bazargan Government used to export carpets at very low prices. But since then, these exports are being controlled by some members of the Revolutionary Prosecutor's office who hail from the business community.

Question: Do these individuals also engage in carpet business?

Answer: No, not at all. Previously, the carpet assessors in the Customs Department were also carpet exporters which had caused problems. However later, assessors were selected from among carpet sellers.

Question: What is your opinion on the Bill on Nationalisation of Foreign Trade and take over of imports & exports by the government during the next four years?

Answer: This foreign trade nationalisation is not at all possible in case of carpet exports. The government has no resources to tackle problems related to carpet sales abroad. It can, however, stock carpets abroad and act as an exporter. But otherwise it is quite impracticable for the government.

Question: What is the lowest-priced carpet?

Answer: ICC might have carpets prices of 2,500 Tomans a meter in the same way as it has others priced at 50 thousand Tomans per meter.

Question: Previously, ICC used to sell carpets to government employees on instalments. How is it now?

Answer: That instalment sale proved very expensive to employees, as they were charged 50 percent extra amount. But ICC is now selling carpets on contract to intending employees of a value up to 60 thousand tomans, with up to 40 thousand tomans of it being extended to them as bank loan at 10 percent discount. They have to pay in cash one-third of the carpet price, and the rest in 36 monthly instalments. We accept one thousand such applicants every time, and take the next lot afterwards. This schedule is announced to them to approach ICC office for this purpose. They have to complete specific forms and supply the required information prior to concluding contracts with the Mellat Bank. The provincial employees too can benefit from this scheme.

Question: What is the total fund acquired by ICC to extend loans to government employees for purchasing carpets?

Answer: ICC was granted a sum of 120 million tomans for Tehran and provinces, of which about 50 million tomans is for Tehran. (Ettela'at, June 27).

CSO: 4600/706

IRAN

BRIEFS

RIVAL Factions CLASH--According to the Free Voice of Iran correspondent, (?supporters) of Khomeyni's Islamic regime were killed by resistance forces in last week's street clashes on (Pamenar), Gandhi and (Mehr) Behbudi Avenues in Tehran. The same report states that Hoseyn Akbari, the commander of the district 9 operations in Tehran, 'Ali Hedayat, the director of suppression [of disturbances] and the chief of the educational and theology department, accompanied by some of their guards and bodyguards, were killed in the attack by armed combatant members of the resistance forces. The Free Voice of Iran reporter adds: Ramsar District governor 'Abbas 'Aqilifar, who had been wounded by armed assailants earlier, succumbed to his injuries in one of the hospitals in Tehran. The same report says that Asadollah Nuri, the chief of suppression of the people in the national industries, escaped the attack by the resistance forces but his bodyguard was killed (?on the spot). The resistance forces returned to their bases without sustaining any casualties during the operations. [Text] [GF301713 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 30 Jul 82]

MINIGROUP MEMBERS ARRESTED--According to the Central News Unit, the public relations office of the Islamic revolution committees' headquarters has announced: The self-sacrificing guards of Bandar 'Abbas Islamic Revolution Committee, having conducted intensive investigations with the cooperation of the nation over the past few days, arrested more than 40 agents and mercenaries working for the pro-American and counterrevolutionary minigroups of the hypocrites [Mojahedin-e Khalq], the minority guerrilla faction led by Ashraf Dehqan and other dependent minigroups. In the course of the subsequent search of these mercenaries' houses, dozens of G-3, M-3, Kalashnikov, UZI and Colt weapons, hand grenades and a considerable quantity of important documents were seized. [Excerpt] [LD311942 Tehran Domestic Service in Persian 1630 GMT 31 Jul 82]

ANTIREGIME GROUP ACTIVITIES--The Free Voice of Iran correspondent reports from Tehran that an armed underground group named Shari'at, in a newsletter distributed in Tehran, has assumed responsibility for planting a bomb in a center where the mullahs and their supporters congregate. This group announced in the newsletter that the planting of 70 kg of incendiary material in an automobile in a parking lot near the venue of the Komel prayers was a warning to those who

participate in the government's rigged-up exhibition of Friday prayers. The group reminded the people that the explosive material was not intended to (?harm anyone). One of the group members informed regime authorities on the telephone after planting the explosives. (?On the accompanying note) it was written that those who are being deceived by the hypocrisy of the criminal Khomeyni regime and are participating in its criminal acts on the pretext of fulfilling their religious duties are in reality aiding and abetting the crimes of Khomeyni by participating in the rigged-up religious exhibitions. They were warned that this underground group has the power to place bombs whenever it wishes. The Free Voice of Iran, as usual, condemns bomb explosions and terrorist actions which endanger the lives of innocent people but in principle (?supports) attacks on Khomeyni's repressive centers and his criminals who (?participate in these designs). It particularly appeals to compatriots not to withhold their cooperation from resistance groups and armed freedom fighters who have no other motive than toppling Khomeyni's regime. Second, [word indistinct] and to refrain from participation in the governmental display of prayers. It may be recalled that some time ago a bomb exploded in the shah mosque killing many people. [Text] [GF011800 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 1 Aug 82]

KURDISH FORCES--According to an IRNA report, brother guardsmen, military personnel and Muslim Kurdish Pesh Merga in a successful operation yesterday purged the village of Savan, Faveh Region, of surrogate counterrevolutionaries and arrested 14 armed men. [Text] [LD022128 Tehran Domestic Service in Persian 1630 GMT 2 Aug 82]

EXECUTION LISTS APPROVED--Mohsen Reza'i, commander of the revolution guard corps, who in reality is commander of the army as well and has participated in military matters repeatedly angering the army officials, met the commander of the armed forces, Ruhollah Khomeyni, today and reported on the losses of the guards to make the imam of Umma happy! Following this meeting, another executioner of Khomeyni's regime, Mohammadi-Gilani--the shar' magistrate who has so far ordered the execution of thousands of our compatriots--met the imam of Jamaran and presented a new list of those who should be executed. We should remind you that Khomeyni is extremely worried about the recent drop in the number of executions and has ordered the shar' magistrate to present a list of those destined for execution for his approval every day. It is not clear whether Reza'i gave Khomeyni the statistics on the 27,000 killed during the Ramadan operations. [Text] [GF041623 (Clandestine) Free Voice of Iran in Persian to Iran 1500 GMT 4 Aug 82]

WAR PLANS--The latest developments on the battlefronts and the successes achieved in the course of the great Ramadan operations and the future war plans were reviewed at a supreme defense council session chaired by the president. At the conclusion of this session, referring to the great Ramadan operations, the imam's representative on the supreme defense council said that these operations were a serious warning to Iraq and its supporters. If they take this warning seriously

and come to their senses it will be a good thing; but if this is not the case, we shall put the rest of the plan into practice. With [words indistinct] in the region, security will be established for all the countries and the countries will be rid of blackmailing hands. [Text] [LD041856 Tehran Domestic Service in Persian 1630 GMT 4 Aug 82]

PROVINCIAL APPOINTMENTS--Eng 'Alireza Nazem Kaf'ai has been appointed chief of the office for the coordination of provincial affairs and Eng Mohammad Saqa'i is the new director general of the roads and transportation department of Kohkiluyeh Va Boyer Ahmad. [GF011648 Tehran ETTELAT'AT in Persian 24 Jul 82 p 2 GF]

HYPOCRITES HANGED--By order of the Islamic revolution court of Khorramabad, three members of a minigroup have been hanged. Mohamed Shafa'at, alias Mojtaba, a citizen of Hamedan, was the chief of the special assassination group that was supposed to be sent from Hamedan to Khorramabad. He was responsible for the death of martyr 'Azim Moradi and martyr Mobashher. Mohamad Moradi, alias 'Ali, a citizen of Hamedan, was a special member of the Hamedan-Khorramabad assassination team. He was the driver of the motorcycle that helped the criminals escape from the scene of murder of martyr Mobashher. Mansur Beheshti, son of Mohamad-Rafi'i, alias Rahman, a citizen of Khorramabad and member of the leftist party of that city, tried to destroy the Islamic Government. [Tehran KEYHAN in Persian 21 Jul 82 p 19 GF]

COUNTERREVOLUTIONARIES KILLED--In a fight between Islamic guards and counterrevolutionaries in Bukan, 40 members of Komeleh and the Democratic Party were killed and 22 people were arrested. Also in West Gilan around 40 members of a minigroup gave themselves up to the guards and asked for mercy. [Tehran ETTELA'AT in Persian 21 Jul 82 p 4 GF]

JAPANESE CUT OFF PETROCHEMICAL FUNDS--The future of the Bandar Khomeini petrochemical complex in southern Iran rests in the hands of the Iranian government following last week's decision by Iran's Japanese partners confirming that they will not make any more funds available for the \$3.6 billion project. The presidents of the Japanese companies involved in the Iran Chemical Development Company (ICDC) have nevertheless agreed to provide technical assistance so that Iran can finish work on the complex, which was 85 percent complete when Japanese engineers left the site in September 1980 after it became the target of Iraqi bombing raids. Construction at the site had previously been disrupted by the Islamic revolution in 1979. The Mitsui group, which is the main participant on the Japanese side halted payments for the project in April 1981, partly because of Iran's failure to repay Japanese loans on schedule and partly because of doubts about the continued feasibility of the Bandar Khomeini plant. The complex was originally designed to produce 300,000 tonnes a year of ethylene to be used as building block material for 13 projected chemical plants. An ICDC spokesman said in Tokyo that the company would now enter negotiations with Iran's National Chemical Company in order to persuade the Iranian government to meet the full cost of finishing the project, repairing war damage and repaying outstanding debts to Japan. Bandar Khomeini, which was Japan's biggest single overseas investment, has already cost Y 600 billion (\$2.35 billion). [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 26 Jul 82 pp 10-11]

IRAN, ITALY COMMERCIAL ACCORD--Tehran (IRNA)--Iran and Italy have entered into an agreement according to which Iran will be provided with meters for industrial and household natural gas consumption. According to the agreement, in addition to Italy's providing Iran with the needed number of meters, the Islamic Republic will be able to import the required technology for eventually manufacturing the meters domestically. The Managing Director of the National Iranian Gas Company (NIGC), Jamshid Sardari said that the NIGC had signed an agreement with the Italian firm Novo Pignone which would provide the meters and within a year would prepare the export to Iran of the required technology for the manufacture of this product. The Italian company will ask no charge for the export of its technology to Iran, Sardari said. [Text] [Tehran TEHRAN TIMES in English 26 Jul 82 p 1]

IRANIAN MISSION TO PRC--Peking (IRNA)--An Iranian economic mission to the People's Republic of China led by the Undersecretary of the Ministry of Agriculture and Rural Development, Dr Abbassali Zali, visited several temples and pagodas in Peking as well as the Forbidden City and the temple of Heavenly Peace. The mission then was led to the tomb of Mao Tse Tung. The Iranian mission on Tuesday met the Chinese foreign trade and economic relations minister. The Chinese foreign trade and economic minister outlined China's agricultural and commercial status and reviewed appropriate areas in which to establish mutual cooperation. He referred also to China's extensive experience in certain agricultural and industrial fields. Then, Dr Zali, in turn, referred to some measures taken after the victory of the Islamic Revolution of Iran to remedy the economic havoc caused by the previous regime. The head of the Iranian mission also inspected the tractor manufacturing plants and machine works. [Text] [Tehran TEHRAN TIMES in English 24 Jul 82 p 1]

BAHRAIN FRONT MARKS JERUSALEM DAY--The Islamic Front for the Liberation of Bahrain has issued a statement marking the International Day of Jerusalem. The statement said in part that the Muslim people in Bahrain and everywhere else seize this opportunity to declare once again their pledge of allegiance to the leader of the Islamic revolution and the hope of the oppressed, Imam Khomeyni, may he live long. On the fourth anniversary of Jerusalem Day, announced by the hope of the oppressed and the leader of Muslims, Imam Khomeyni, may he live long, the nation is experiencing a dire dilemma, calling on us to muster efforts to revive Islam and the Islamic government through benefiting from such a day which must urge Muslims to exercise their Islamic responsibilities, (?confront) the forces of international arrogance, and defend their rights usurped by the enemies of Islam, the tyrannical and (?hypocrite) regimes. This day comes while our Islamic nation is still suffering from the tyranny of tyrants and colonialists and the foster son of imperialism, Israel, which is carrying out aggression and brutal attacks against Lebanon, the independent Islamic country, and carrying out a genocidal operation against the Muslims of southern Lebanon without any deterring force. The front called on the Muslim people of Bahrain to mark the eve of the Day of Jerusalem, falling tomorrow, by holding celebrations and demonstrations. [Text] [GF160716 Tehran International Service in Arabic 2000 GMT 15 Jul 82]

AMBASSADOR TO NIGERIA--Prime Minister Mir Hoseyn Musavi yesterday received Mohammad (Menhaj), the first Iranian ambassador to Nigeria. During the meeting, Musavi stressed the necessity of strengthening political and economic relations with the Muslim Nigerian people. [GF171443 Tehran International Service in Arabic 0400 GMT 17 Jul 82]

MAJLIS DEPUTY IN MANILA--Tehran (IRNA)--Upon the invitation of the Muslim Students' Association (MSA) in the Philippines, Majlis Deputy from Tehran, Fakhreddin Hejazi arrived in Manila Sunday. On his arrival he was welcomed by the Charge d'Affaires and the staff of the Iranian Embassy and also by the members of the Muslim Students' Association of the Philippines. The Majlis Deputy participated in the weekly MSA meeting held in the main mosque of Manila and gave a speech before the gathering. [Text] [Tehran TEHRAN TIMES in English 27 Jul 82 p 2]

MA 'ADIKHAAH SUBMITS RESIGNATION--Tehran--Hojjatoleslam Ma'adikhah, the Minister of Ersharde Eslami (Islamic Guidance) submitted his resignation to Prime Minister Musavi, the IRNA reported yesterday. In his resignation letter Ma'adikhah said that he resigned due to tiredness of executive conflicts existing in the Islamic Guidance Ministries. [Text] [Tehran TEHRAN TIMES in English 27 Jul 82 p 2]

NEW AMBASSADOR TO PAKISTAN--New Iranian Ambassador to Pakistan (Abu Sharif) presented his credentials to Pakistani President Ziaul Haq yesterday. [GF051314 Tehran International Service in Arabic 0700 GMT 5 Aug 82]

CSO: 4604/42

GOLANI UNIT DESCRIBES MOVE INTO LEBANON

Tel Aviv MA'ARIV in Hebrew 11 Jun 82 p 13

[Article by Avi Bettelheim: "The Ride to Tzidon (Diary of a Golani Unit's Battles)"]

[Text] Wednesday, 4:00 am. The sun rises over the western area of South Lebanon. Twelve hours have elapsed since we led the line of armored vehicles across the border at Minara, heading toward Tzidon.

The land is hilly, dotted with valleys and small villages at every turn. The roads are in poor condition and more often than not we're traveling on dirt roads, kicking up dust. The first impression is that the local residents have a low standard of living, although modern European cars are parked in almost every alley (all covered with thick layers of dust). The leading car--"Mercedes," all models.

For 12 hours we've been driving down the non-roads of this region. Long lines of cars block every roadway. Traffic is slow, but extremely orderly. No nervous honking by harried drivers who from Haifa to Tel Aviv seethe and curse at every slow vehicle that delays them by a few seconds. Here, in the army, things are different--polite, serious, a spirit of community.

There are those here who haven't closed their eyes for 36, even 48 hours. But you don't even hear complaints. Every stop or brief wait of a few minutes is used to doze--and then we go on.

This is an auxiliary Golani unit, going into the heart of the territory. We have regular soldiers who arrived late from vacations and officers, former Golanis, who arrived in droves at                   's communications offices firmly demanding to be put into action.                ey are inside, on their way to join the forces.

Doron is here, too, a regular army soldier from another regiment. He was wounded by shrapnel around a month ago in an exercise, hospitalized and recently transferred to a military rest home for recuperation. As soon as the "Galilee Peace" operation began, he asked the officer in charge to release him, so he could return to his regiment. The officer categorically refused and Doron left without permission. He hitched to the unit command, signed for

his personal gear and joined one of the caravans going north. His chest and right arm are bandaged, but his morale is altogether healthy. "I'm dying to be back with my buddies," he says.

We're passing through the center of Taiyba. UN soldiers and local residents observe us with curiosity. And so it goes. Passive UN personnel and curious hordes of villagers wave and raise their fingers in a "V." On the wall of one house someone has written the word "LOVE" in thick colorful letters.

Golani units have been active this week in three areas. Sunday two groups were at the huge Bofour fortification. The structure of the fortress and the kind of fighting expected left no doubt--this was a mission for a Golani unit. The Golani fighters knew that when it was time to conduct the operation in South Lebanon, they would be the ones to conquer the fortified hill--feared by nearby Israeli settlements and the boon of the saboteurs.

On the first day, Israeli air force planes "rained" hard on the fortress to "soften" it. IDF artillery fired heavily on the position. During quiet periods, one of the choice Golani forces moved in to the area. Although heavy fire was directed at the advancing vehicles, the force managed to get very close to the starting point of their climb. Until that point, there were no casualties, human or vehicular.

Like the operation to capture the Hermon in the Yom Kippur War in 1973, the fighters started climbing the hill. After a few minutes, heavy fighting broke out between Golani soldiers advancing slowly upward and dozens of guerrillas spread out over the area, dug in, well-armed and holding their territory from an advantageous position.

Early on, the Golani commander was wounded and taken back. Giora Hernik, known in the unit by the nickname "Goni," was rushed in from another regiment. One week ago he ended his term as commander of this force, turning it over to a replacement. Last Friday, he celebrated his release from military service with friends in his Jerusalem home. On Sunday, the day of the battle at Bofour, he was scheduled to report for his official release from the IDF. Now, he was hurrying to take over the command from his wounded replacement.

A few minutes after he joined the force, his armored vehicle turned over. Goni was wounded very lightly and a new vehicle was brought up so he could continue the heavy fighting in the trenches of the Bofour fortification. When night fell and the battle was coming to a close, he was wounded and killed. His second-in-command took over, a soldier also scheduled for release on Sunday of this week, who had come from home at the beginning of the IDF operation in Lebanon.

The battle at Bofour was very difficult and demanded excellent personal ability from each and every soldier individually. The wounding of both commanders in the first stages of the battle created some distress among the fighters, but they quickly spread out over the area, each fulfilling an individual role toward the completion of the mission and wiping out the guerrillas, around 50 of them, all fighting on the hill. The battle itself lasted from 7:00 in the evening until 6:00 in the morning and took a heavy toll on the Golani force.

During the fighting there were heavy casualties. Helicopters were needed close by to rush the wounded to hospitals. One guerrilla, holed up in one of the best defended bunkers on the hill, fired unceasingly, preventing all the while the helicopters from landing. Some of the fighters threw grenades continuously for more than 2 hours in the direction of the bunker, forcing the guerrilla to lay low for 2 hours or more. This allowed the helicopters to come in and take out the wounded.

At around the time that this Golani force began its operation at the Bofour fortification, another Golani fighting unit was engaged in a tough, courageous battle on three large, strategic guerrilla fortifications. One was not far from the Bofour fortress and at a certain point, these fighters provided artillery support for their colleagues on the hill.

In the fighting to capture the guerrilla posts there were also numerous casualties. Captain Ya'akov, commander of the force, led his soliders into one bunker and started clearing out the guerrillas. During the exchange, he saw the shadow of a man in a helmet at one end of the bunker. For 2 seconds the firing stopped. "Who's there?" called the commander, hesitating to pull the trigger for fear that it was one of his own men. Another officer close by shouted two or three times: "Who are you?" But the figure did not reply.

For 2 seconds they hesitated. Then the commander pulled the trigger. But the guerrilla was one tenth of a second faster, and had fired a round from the automatic weapon in his hand. One Golani was dead and the commander himself was wounded in the face, along with four other soliders.

Losing blood, the commander changed cartridges and fired a long round in the direction of the guerrilla. During the next few mintues, the Golani force suffered more casualties, three officers among them. The commander tried to call for medical aid and report to command headquarters on the developments in the area. But his communication device was not functioning. Although he had lost a lot of blood and was very weak, the commander ran to one of the armored vehicles and made the connection with headquarters.

He told Lieutenant David: "From our point of view, this battle is over. We were ready, we knew the directions, the roads and the goals. The strength of guerrilla fire was somewhat unexpected, certainly more than we thought it would be after the artillery bombardment we had leveled earlier."

For several hours the unit engaged in a stubborn battle, sometimes hand-to-hand, with the well-armed guerrillas in the fortified area. Here again the guerrillas did not flee but fought. Late at night, the firing stopped. The important fortification had been captured and dozens of guerrillas inside had been killed.

While the unit was waging heavy battles in the fighting zone, the rear line Golani forces proved their abilities. In this kind of battle, administrative support is a condition for success.

Lieutenant Colonel Yom-Tov (24 years in the Golani) and Captain Willie (17 years in the unit), provided professional support for the forces and saw to the transfer of various supplies. They pushed forward in caravans with supplies and

ammunition, moved the rear forces forward as needed and solved problems that arose without hesitation and above all, they worked quietly and with level heads, as if this was just another "dry run" and not a real war.

On Tuesday and Wednesday, the unit surrounded and captured the city of Tzidon. It was not an easy task, controlling the big city on the coast.

When the Golani force reached the outskirts of the city, they were surprised by the strength of the guerrillas' spirit, and even more by their willingness to enter suicidal situations. In many cases, guerrillas suddenly burst out of shelters or posts, storming IDF armored vehicles and tanks with grenades. The first reaction was shock, but this passed with the second outburst and the guerrillas, whom the Israeli fighters dubbed "kamikazim," were killed.

Lieutenant Ofer reported: "On Sunday, there was harsh fighting here, in Tzidon. The guerrillas fought hard and we suffered several casualties. Today, on the second day of fighting, we can feel that they're breaking. At least some of them are fleeing north. We have split up into several groups and we are going into the city to clean it up."

The tanks and armored vehicles started going in during the early morning hours on Thursday, through the main streets of Tzidon. At 8:45 the unit commander reported, "White flags are being raised in the city." The residents started coming out of their houses, waving white flags, but there were still guerrillas hiding in the city.

At a certain point some of the guerrillas retreated from their homes in the center of town, moving back "under protection," surrounded by dozens of residents who took them along. The Israeli force did not open fire on these "strange processions" and allowed the guerrillas to retreat.

After about an hour of tense quiet, an "Arpegin" bomb was hurled at one of the armored vehicles. The building from which it was launched was destroyed immediately, and several others as well as the long process of wiping out the guerrillas continued--complicated, dangerous, lasting for several hours--through the streets of the big city.

During the first week of fighting in southern Lebanon there were several "miracles." Only the belief in a supreme being would explain how these occurrences were survived without casualties. For example, on the first night of fighting, four new jeeps penetrated a Golani night camp. The jeeps, loaded with armed guerrillas, had mistakenly entered the area without realizing that IDF forces were there.

Dani, one of the unit commanders, went to see who was coming. From a distance of 10 meters he identified the jeeps and the guerrillas. He shouted "guerrillas!" and fired the "Galil" rifle he was holding. In seconds, the anti-aircraft battery attached to the unit also opened fire, and the guerrillas were eliminated before firing a shot.

In another incident, a Syrian MiG 21 suddenly appeared over one of the unit's rear forces. It came in low and released several bombs in the direction of the force while the soldiers were firing at it with their personal weapons.

The bombs, as luck would have it, exploded at some distance from the force and no one was injured, nor was any damage incurred. Later it was learned that the plane never got back to base but was downed a few minutes afterward by Israeli planes.

One of the commanders of the rear forces led a supply and ammunitions caravan toward the fighting forces and suddenly an Arpegian bomb fell, launched by a band of guerrillas hiding in a nearby field, exploding just a few meters in front of the vehicles. No damage was caused. The guerrillas were destroyed immediately.

As in all of Israel's wars, in the "Galilee Peace" operation, too, Golani units paid dearly--with blood. At night, for a few hours--sometimes less--when the fighters can breath a little, there is no hiding the grief over their fallen comrades.

The day before yesterday, a Golani commander told me: "I've had many surprises in this war. For many of the fighters, this was their first "baptism" under fire, and of course there was some doubt as to how they would stand up in the difficult situations thrust upon them. It turned out that they stood up extraordinarily well.

And another thing--the sacrifices. We were afraid that the loss of lives would create deep depression among these young soldiers, suddenly faced with so many difficult situations at once. Again, they proved that despite their young age, they were real men. The sadness and depression made them continue their missions to completion.

9811  
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ELECTRONIC WARFARE PLAYED MAJOR ROLE IN LEBANON

Tel Aviv MA'ARIV in Hebrew 18 Jun 82 p 27

[Article by Avraham Peleg: "Electronic Sophistication Behind the Destruction of Syrian Rockets in Lebanon"]

[Text] What is the secret of the Israeli air force pilots' success in destroying a Syrian (Soviet) surface-to-air rocket system in Lebanon?

Prime Minister Menachem Begin noted in a television interview this week that technology played an important role in the destruction of the Syrian missiles, and added that it was possible that Israel and only Israel possesses such technology.

The LOS ANGELES TIMES reported that Israel's use of sophisticated weapons for the purpose of destroying Syrian missiles in Lebanon hurt the Soviets financially on the one hand and supplied the Pentagon with a substantive base with which to go to Congress and argue for research and development projects on the other hand.

The destruction of Syrian missiles in Lebanon excited many within the U.S. technological community. For years, development people have fought for budgeting and recognition of the importance of their activities. Now they can justify their struggle with the results of the research in Israel. The paper quotes American scientists who said: "It is not every day that the public gets to see the actual working results of research and development; and in this instance it is by people known for their exploitation of technological potential.

The 1982 war--perhaps more than in any other Israeli war--is an expression of technology used to its fullest. To what degree is this technology original and ours, or how much of it was bought from foreign countries? Has electronics become an important weapon in battle? What technological lessons can be learned from the 1982 war? I asked Professor Yuval Ne'emani and Yishayahu Lavi these questions.

Maintaining Superiority

Professor Yuval Ne'emani, a physicist renowned in scientific circles, has frequently left the academic "ivory tower" to work for Israeli defense. He served, among other things, as head of planning in the IDF, advisor to Prime

Minister Yitzhak Rabin, and chief scientist in the defense establishment. Yishayahu Lavi, engineer, was a communications and electronics officer in the IDF, general manager of Raphael (Network for the Development of Fighting Modes) and general manager of the Ministry of Defense. In 1968 he received the "Israel Defense" award for advancing electronic systems used for military purposes.

Professor Yuval Ne'eman feels that "Israel has achieved superiority in sophisticated electronic warfare, and that we must do everything to maintain that superiority."

In the 1982 war Professor Ne'eman sees expressions of a return to research and development based on need. "This kind of initiative was developed during the war of independence, but we lost it after the Six Day War. From an inferior army, in numbers, seeking qualitative superiority, we have become an army of masses. In the Yom Kippur War this was particularly evident. For example, we did not make an effort to obtain night mirrors and consequently the IDF was blind and the Egyptian and Syrian tanks moved at night.

"The Arabs improved in the area of projection missiles and were armed with "Saggers" and R.P.G.'s. We were warned about this by the Americans, but we ignored it and we hused the Americans on the subject."

According to Ne'eman, a "monumental mistake" was made in the development of missiles. Israeli scientists and engineers were already busy developing missiles in the early 1960's, but in those years, our friendship with France was flourishing.

#### The Russians Have the Answers

One of the reasons for inadequate investment in military research and development in Israel was, according to Ne'eman, a lack of faith on the part of the chiefs of staff and other general staff people in the scientific and technological capability of Israel. "More than once," he explains, "we were told by the IDF general staff that what's good for the American and French air forces is good for us. Why take risks on experiments?"

Professor Ne'eman fought for recognition of the untapped potential of Israeli technology, and today, he says that "the IDF and Raphael are in the forefront as far as science and technology. This became clear in the "Galilee Peace" war. We found a solution to the problem of missiles like the Sam 6 which the Syrians have. But I'm sure that the Russians already have answers for the situations presented by these missiles. Therefore, we should already be planning the next generation of missiles."

Yishayahu Lavi told me: "I would suppose that "Warsaw Pact" committees are already meeting today to examine how the Israeli air force was able to overcome the Syrian Sam 6 surface-to-air missiles in Lebanon. The Sam 6 is the main anti-aircraft missile not just for Syria, but for all the Warsaw Pact countries. We proved in the 1982 war that we have found a solution to the problem of the Russian missiles used by the Arabs, but we must not rest on our laurels. The war of the minds in military technology continues."

Yishayahu Lavi believes that superior military technology has been made available to the IDF since the 1973 war: "Without taking anything away from the airforce pilots who worked miracles in the war in Lebanon, I must note that the F-15 and the F-16 planes are sophisticated systems which gave our air force a considerable advantage. These planes are, in the words of people in the profession: flying platforms of weapons systems. They are equipped with a large variety of options--sensors, data processing systems (including computers), electronic devices for defense and attack, and radar.

The technological sophistication has penetrated to the level of the foot soldier and all IDF branches. Lavi calls the YAMINO tank an "armed platform of weapons systems." The crucial element in modern war machines is undoubtedly the electronic system which has opened broader horizons to the modern soldier. "In the military technological community," he says, "there is an argument over whether electronic devices are an auxiliary system or the very machines of war. I believe this argument has already been decided. Electronic warfare has quickly become the decisive ingredient of the modern battle field.

"Electronic systems today supply control, command, communications, information and analysis to the theater of war. And there is already a formula to indicate this: C4I, which stands for Command, Control, Communication Computing Intelligence. A leader in our day and age, who does not know this formula is not aware of the available options--he belongs with Hannibal or at best in the Napoleonic War, not in the modern theater of war."

#### The Edge: Experience in War

"Electronic warfare includes broader use of computers and micro-computers, command by sophisticated communications devices, pinpointing the enemy and locating his electronic systems, and systems analysis. All this allows the commander of the campaign to benefit most fully not only from the plane, the tank and the armored vehicle individually, but to conduct the whole orchestra at the same time. The untapped potential in this area must be used not only by the general staff or the senior commanders, but at every level," says Yishayahu Lavi.

Lavi sees the F-15 as a Stradivarius violin waiting for a virtuoso. Our air force supplied virtuosos..."who could get the most out of our electronic Stradivariuses." He adds: "That ability must be well directed, operated in the framework of a system of command and control, supplied with data by efficient information networks, integrated within a system of highly advanced ground support and finally, we must be able to produce such tools."

For obvious reasons, he does not go into detail, but he feels certain that our technology will make an original contribution not only to the American "Stradivarius" but also to our own weaponry. Achievements in this area rank among the fruits of close cooperation between scientists and engineers in basic applied and defense research. "Unfortunately," he adds, "we have an additional advantage--a great deal of experience in war."

At the same time, he cautions against overly large risks in the area of independent research and development.

It is essential that we remember that a population of only 3.5 million represents a limitation in terms of the human and material resources that can be devoted to research and development. The situation may improve--if there is immigration."

Despite these limitations we have, in his opinion, managed to contain the scientific and technological gap between us and the Arabs. What's more, that gap is not only decreasing, but we are becoming part of the elite group in the world in the area of defense research and development, while the Arabs belong to the weaker camp from the point of view of technology. "Experts today believe that those who are strong in this area will be the supporters and leaders, while the weak will become weaker. The reason is the increasingly applicable results of research and development. Anyone who can "ride the wave" will be carried forward at breakneck speed."

However, we are a small people with limited resources, and for that reason we have to be selective in our approach to research and developments fields, because we cannot deal with everything. The "Lavi" plane, in his opinion, should be developed and produced if we want to be "in the picture" in the air. And he supports other weapons systems which are the backbone of the army, like the armored corps. It is also essential to continue to export military equipment, because these exports allow for our industrial military development.

#### The Human Base

The Arabs did not enter the technology race seriously and they are solving their problems by purchasing technologies and entire weapons systems from the Soviets and the West. Yishayahu Lavi does not underestimate the quality of the Soviet weaponry. A super power that has sent five to ten times as many rockets and satellites into space as the Americans certainly has arms that are as good as the Americans. Even in the area of electronics, the Russians are not at a technological disadvantage compared to the Americans. He adds in this regard that the success of the F-15 and F-16 in Lebanon does not stem in any way from the Americans' technological superiority, but from the quality of Israeli pilots and the electronic back-up systems and support for this plane.

And, if the Syrians are armed with Soviet weapons, other Arab countries, such as Saudi Arabia, are armed first and foremost by America. The American "AWACS" is a flying electronic station with a thousand eyes and ears, which may allow every whisper in Israel to be heard. But the Americans--or so Yishayahu Lavi is convinced--are not giving the Saudis the entire AWACS system. Highly sensitive systems will not be sold to the Saudis, and it is possible, too, that the computer being sold to the Saudis will be less advanced. And with weapons systems--Lavi explains--if you don't have the best on the market, you have nothing. That's what will probably happen with the Saudi AWACS and that's what happened with the Syrian Sam 6 missiles in Lebanon.

Yishayahu Lavi feels that an undeveloped country cannot exploit the full potential of the sophisticated systems it receives from other countries. In the end, the human base is the decisive factor. "The modern soldier," he

says, "is different than the one we know from history and literature. In the modern army you find more and more components at play and more educated men on the front lines. The more technological the army becomes, the more important the quality of the men within it."

#### Five, Maybe Ten Young Men

Professor Yuval Ne'eman has faith in Israel's ability to continue to contain the scientific and technological gap between Israel and the Arabs. "The Arabs," he says, "have money and political influence and based on these factors they can get equipment. But they will only be the second to last word in the field. We are the pioneers in the research area."

In Professor Ne'eman's opinion, a condition for maintaining the gap in quality between Israel and the Arabs is the development of talented students--and there is really no need for large numbers. Five, maybe ten, brilliant young men added to Raphael each year--the scientists says--can change the whole picture." In Israel there are young groups in the natural and exact sciences and in engineering, while in the Arab nations the young people still prefer to study law, economics and administration--and that makes a big difference."

The technological factor that concerns Professor Yuval Ne'eman more than anything else is nuclear weapons. He sees the destruction of the Iraqi nuclear reactor by Israel as very positive.

"The Islamic bomb" being developed by Pakistan worries him more, and more than he fears the Pakistanis he fears the obligations being made to Qaddafi who is partially financing the Pakistani nuclear efforts. "In this area, too," he says, "we will have to be on our guard."

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LIBYAN ARAB FOREIGN BANK INVESTS IN LATIN AMERICA

London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 18

[Text]

THE JOINT Arab-Latin American Bank (Arlabank), in which the Libyan Jamahiriya has a large stake, has completed negotiations on a \$300 million loan to the Peruvian Government. The loan, which is expected to be signed shortly, will be for three and a half years, and will carry an interest rate of 5/8 of one per cent above the London interbank offered rate (libor). News of the loan emerged in May, during the twelfth annual meeting in the Puerto Rican capital San Juan of the Latin American Association of Development Financial Institutions.

Arlabank was set up in 1977 with a capital of \$100 million. Forty per cent of the capital came from banks and other financial institutions in six Latin American countries — Brazil, Argentina, Peru, Colombia, Venezuela and

Chile. Twenty per cent was contributed by Arab and European banks, and the remaining forty per cent was shared between the Libyan Arab Foreign Bank (LAFB), Kuwaiti foreign investment companies, and other Arab financial institutions. Of this, 28 per cent was put up by LAFB and the Kuwait Foreign Trading, Contracting and Investment Company. The new bank started operations from its headquarters in the Peruvian capital Lima on 2nd October 1978.

All the Jamahiriya's banking investments overseas are channelled through LAFB. Libya's direct, non-banking investments abroad, for example in property and industrial ventures, are managed by the Libyan Arab Foreign Investment Company, set up in September 1981 with a capital of \$1.7 billion.

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**TRIPOLI'S SLOW PAYMENTS WORRY EUROPEAN CREDITORS**

Paris AN-HANAR ARAB REPORT & MEMO in English No 25, 26 Jul 82 pp 5-6

[Text]

Western governments are beginning to exert pressure on Libya to speed up payments on its debts to industrialised countries. Libya owes the West a total of some \$12 billion and has fallen over \$2 billion behind in payments to its creditors in the industrialised countries, mainly in Western Europe.

Spain has taken the firmest action in suspending the payment of nearly \$230 million it owes to Libya for supplies of crude oil in an effort to persuade the Libyan authorities to settle debts totalling almost ..30 million, some of which have gone unpaid for more than a year. The Libyan failure to pay for imports of certain Spanish goods such as canned produce and textiles has brought distress to a number of smaller companies.

Trade payments between the two countries are normally settled each quarter. A trade mission from Madrid to Tripoli earlier this year negotiated an agreement under which the central banks of Spain and Libya would set up reciprocal credit accounts to pay off exporters. At that time Libya undertook to come up with \$60 million owed to Spanish exporters within a month. Now, however, Libya's refusal authorise second quarter payments has elicited the withholding of payments from Madrid.

The French export credit agency COFACE is reported to be reluctant to extend any more export guarantees for French sales to Libya. It has already had to pay out \$47 million to French exporters owed money by Libya.

Italy supplied about one-third of Libya's imports from industrialised countries in 1981, with average monthly exports of \$363 million.

Last month, the two sides worked out a deal whereby Italy, which is owed about \$1.5 billion by Libya, would purchase an extra 100,000 b/d of Libyan

crude oil at European market prices through its state-owned energy concern ENI. In return, Libya was to repay Lire 800 billion (\$567.7 million) to Italian companies, while a timetable for the settlement of the remaining Lire 1,500 billion (\$1.06 billion) would be negotiated by a special bilateral commission. But the Italians are reported to be complaining that an initial payment of \$105 million has not yet materialised.

Britain's exports to Libya amounted to about \$850 million last year. British firms which have experienced long payment delays complain that even when they are paid they are unable to get authorisation to convert their Libyan dinars into other currencies. Other companies say that the Libyans are withholding bank guarantees for down payments on contracts.

While oil revenues provide Col Qadhafi with a cushion against bankruptcy, Libya's creditworthiness has clearly declined in the minds of Western bankers and governments. Italy, France and Spain all turned a deaf ear to a recent Libyan request for \$1 billion in debt relief, presented to them by Col Qadhafi's second-in-command Major Abdessalam Jalloud.

Private trade credits make up the bulk of Libya's foreign debt and about half of them are backed by national export credit guarantees. This year, Libya is due to pay back \$4.6 billion to the West, of which two-thirds must be paid by August 1.

Libya's ability to pay its debts may be enhanced by a revival in its oil exports. These fell from a peak of 1.7 million b/d in 1981 to as low as 500,000 b/d in April this year, as customers shunned high-priced Libyan oil in a glutted market. But demand for Libyan oil has improved with the help of hidden discounts to buyers, mainly in the form of extended credit terms. Output has now topped the 900,000 b/d mark, well over Libya's OPEC-set quota of 750,000 b/d. However, oil exports during the first quarter of this year are estimated to have earned Libya slightly over \$2 billion, compared to \$15.7 billion for the

whole of 1981 and \$22.6 billion in 1980.

Earlier this year, there were signs that declining oil revenues were beginning to hit Libyan imports. According to figures just published by the 24-nation Organisation for Economic Cooperation and Development (OECD), Libyan imports sank from a monthly average of \$1.1 billion in the last quarter of 1981 to \$697 million in January 1982, a fall of 36.6 per cent. The trend is thought to have continued throughout the first quarter.

Countries which continued purchasing Libyan oil despite the glut have apparently been rewarded by prompt repayments of their debts. Tripoli paid on time the \$710 million due this year to West Germany, which bought record quantities of Libyan oil in 1981, while debts to Austria have also been paid promptly.

Col Qadhafi's determination to expand Libya's share of the oil market was evident at the recent OPEC meeting in Vienna, where his Oil Minister Kamal Hassan Maqhr rejected Saudi Arabian arguments that the premiums on North African crudes, currently priced at \$35.50, should be raised to make lower quality Gulf crudes more attractive to buyers, arguing that North African oil was still \$2 dearer than North Sea oil of comparable quality. Although Libya has a small population of some 2 million, Col Qadhafi has pressing needs for high oil revenues to finance his ambitious development programme and massive expenditure on arms, mainly from the Soviet Union. The Libyan leader is also known for his tendency to distribute largesse, sometimes in the form of handouts of oil, in a bid to extend his influence in African countries such as Chad, Mali and Ghana. But the hardening attitude of European governments suggests that Libya may have to show more discipline in meeting its financial commitments in order to ensure the flow of imports from the West.

**BRITAIN SUPPLIES CONSTRUCTION MATERIALS**

London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 18

[Text]

JOSEPH CONRAD & Sons of Warrington has won a \$218,400 order from the Yugoslav firm Ivan Multinovic for 1,500 drums of a concrete curing substance called Cormix, which will be used on the Benghazi port expansion programme for which the Belgrade company is main constructor. Half the drums had already been delivered by early June. The resin-based mixture is sprayed onto concrete to prevent water evaporation, allowing concrete to set strongly.

The Benghazi port expansion programme is making good progress, and is due for completion next year. It entails the construction of three new breakwaters, and extensive dredging and infilling. Ivan Multinovic won its \$24 million contract for the redevelopment scheme last year.

The contract to supply Cormix is only one of a series of important orders placed with British firms relating to construction in the Jamahiriya. In April the Birmingham firm Kwikform won a \$838,380 contract to supply scaffolding for a housing project.

Other companies in Europe are also participating in Libya's construction boom. In April it was disclosed that Norway's G Block Watne has a \$1.6 million order to supply site accommodation for construction workers in the Libyan coastal towns of Misrata and Tobruk.

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## PROGRESS IN AGRICULTURAL DEVELOPMENT PLAN REVIEWED

London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 19

[Text]

STATISTICS JUST released by the General People's Committee for Agrarian Reform and Land Reclamation show that the 1981-85 development plan is well on schedule, with progress comparing favourably with that achieved during the 1976-80 plan. LD3.1 billion are earmarked for agricultural development in the 1981-85 plan, accounting for 18.2 per cent of overall plan expenditures. Only the industrial sector, with total outlays of LD3.9 billion, has a higher priority.

The current plan calls for the reclamation of a total of 1,740,273 hectares of land, of which 66,331 hectares will be irrigated, 355,233 hectares for rain-fed cultivation, and 1,318,709 hectares of land was reclaimed, bringing the total reclaimed since the start of the plan in January 1981 to 1.2 million hectares, the Jamahiriya news agency JANA announced on 1st June.

Of the target of 66,331 hectares of irrigated land, 12,000 hectares have already entered cultivation. Work involved the drilling of 54 new wells, and the construction of associated irrigation canal networks. 165 farm-

houses have been distributed to farmers. JANA added. During the 1976-80 plan, a total of 9,281 farmhouses were distributed.

The total area currently under cultivation in the Jamahiriya has risen to 228,742 hectares, the figures show.

The 1981-85 plan calls for a continuation of Libya's ambitious afforestation programme, aimed at increasing date and fruit output, extending the area of forests to help conserve water and soil, by reducing surface run-off of rains, and at extending the wind-breaks that protect crops in fields. The number of palm trees will increase from 4.6 billion in 1980 to 5.2 billion in 1985, and fruit trees will increase from 3.1 billion in 1980 to 4.1 billion. Forest trees are to be planted over 165,405 hectares, and wind-breaks over 63,443 hectares.

The new statistics show that in the first quarter of 1982, 1.5 million date palms and fruit trees were planted, bringing the total planted since the start of the 1981-85 plan to 16.9 million. Two million forest trees and two million trees in windbreaks were planted in the January-March period this year. Since the begin-

ning of last year, a total of 62 million forest trees have been planted, and 48 million in wind-breaks.

The development of the Jamahiriya's livestock resources is also on schedule. During the first quarter of the year, 1,356 head of sheep and 157 cattle were distributed to farmers, and the General Directorate for Cattle Breeding reports that the number of breeding centres in the country has reached 39, with a further eleven under construction. The 1981-85 plan calls for 64 new cattle breeding stations, bringing the Libyan total from 28 in 1980 to 92, with a total capacity of 46,000 head, in 1985.

The establishment of intensive agribusiness schemes specialising in dairy and poultry production is a key feature of Libya's agricultural development programme, and this calls for a range of associated marketing and storage facilities. In late April it was announced that the Hungarian firm Komplex has won a \$6.7 million contract to build a cold store in Tripoli, to hold 1,000 tonnes of poultry and meat, and 20 million eggs.

CSO: 4500/260

**BRIEFS**

**CEMENT OUTPUT--**The Jamahiriya's far-reaching socio-economic development programmes have created an enormous demand for a wide range of construction materials. To increase its industrial self-sufficiency, Libya has already established a number of building materials plants, including two major cement factories in the coastal town of Homs and one each in Benghazi and Souk al Khamis, near Tripoli. More are under construction. In April the Jamahiriya news agency JANA disclosed that first quarter production of building materials in Benghazi, Homs and Souk al Khamis had far exceeded expectations. Total output reached 761,740 tonnes of cement, 46,614 tonnes of asphalt, and 10,360 cubic metres of reinforced concrete. Citing sources in the Libyan Heavy Industry Secretariat, JANA said that output had exceeded planned targets by between 119 and 133 percent. [Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 18]

**SARIR VILLAGE--**The Swedish construction company Armerad Betong Vagforbatringar (ABV) is reportedly close to signing a major contract to build a complete new village, probably in the Sarir area, in the desert between Benghazi and the southeastern oasis town of Kufra. Sarif is the site of an important agricultural project based on irrigation from subterranean water. The Swedish firm has been active in the Jamahiriya for some years, winning its first contract in 1980. The work entailed the construction of a new village at Kufra where another major irrigation project has been underway since the early 1980s. The contract, awarded by the Jamahiriya's Housing Secretariat was worth \$143.5 million. The village, due for completion next year, will have 600 homes, schools and a range of utilities. It will house about 2,000 people. ABV's Vice-president, Lars-Olaf Plyr, has confirmed that negotiations for the new village are well advanced, but will say only that it will be located 'somewhere between Kufra and Benghazi.' The new village is likely to be at least as large as that at Kufra, both in size and in cost. [Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 18]

**ARAB BANKING CORPORATION--**The Arab Banking Corporation (ABC) and Gulf International Bank have each underwritten \$100 million of a \$2.7 billion loan to Mexico. The loan is in two parts, one extending over three years, the other over seven years. It was also disclosed in early June that ABC has joined with a number of other Arab banks in raising a two-and-a-half year \$8.1 million loan for the Venezuelan tourist development concern Promotora Turistica. The other banks involved are the Libyan Tunisian Bank, Union

des Banques Arabes & Francaises (UBAF), Banque Arabe & International d'Investissement (BAII) and Banque Arabe Espanol. The Arab Banking Corporation is jointly owned by the Libyan Jamahiriya and Kuwait. Set up as an offshore bank in Bahrain in January 1980, the corporation has an authorised capital of \$1 billion. [Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 18]

IRISH BEEF--The Libyan Jamahiriya is to increase its imports of Irish beef to 6,000 tonnes this year, Irish Agriculture Minister Brian Lenihan has disclosed. He also revealed that a Libyan delegation will be visiting Eire in September to investigate the market for the Jamahiriya's petrochemicals products. Mr Lenihan was speaking on 1st June on his return from a success-visit to Libya which ended with the signature of an economic, social and cultural agreement between the two countries aimed at strengthening bilateral co-operation in a wide range of fields. On the Libyan side, the agreement was initialled by the Jamahiriya's Education Secretary, Abdel Hafiz az Zulaytini. Irish exports to Libya, mainly of cattle and agricultural products, have risen steadily in recent years. In 1969 Libya was the destination for a mere 0.04 percent of all Irish exports. By 1979 Dublin was sending goods worth \$82.4 million to the Jamahiriya, accounting for 1.2 percent of global Irish exports. In 1980, exports to Libya fell slightly to \$81.3 million, but rose sharply last year, reaching nearly \$132 million. [Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 pp 18, 19]

IRISH WATER CONTRACT--The Irish state firm An Foras Forbartha has won a \$10 million, five-year contract to help manage the Jamahiriya's precious water resources. The work will entail analysing and testing underground water in the southern desert regions and also surface water in the coastal zone in the north. The date will be fed into computers in Tripoli and Benghazi to help plan the most efficient use of water for industry and agriculture. The contract, signed in early June, followed eighteen months of negotiations which involved a demonstration survey over several weeks last year by a three-man team from the company. [Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 19]

SECOND BUS PLANT--The Libyan Bus & Truck Company has signed a contract with two Hungarian firms, Mogurt Gepjarmu Kulkereskedelmi and Ikarus Karosszeria & Jarmugyar to build and run a bus assembly plant to cost \$2.5 million and with an annual output of 600 buses assembled from Hungarian components. During the first five years of the plant's operation, Mogurt is expected to supply bus body components worth about \$70 million per annum. The Jamahiriya already has one bus and truck plant, located at Tajoura, near Tripoli, where Fiat vehicles are assembled. Tajoura is also the site of a tractor assembly plant opened last year and of a truck body and trailer assembly plant nearing completion by the Italian Calabrese concern. The Libyan Truck & Bus Company was set up in 1976 with a capital of LD 12 million--75 percent put up by the Jamahiriya and the rest by Fiat in which Libya in turn has a thirteen percent stake. [Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 19]

TRIPOLI GAS PLANT--The Italian firm Techint Tecnica Internazionale and France's L'Air Liquide have won a \$26 million contract to build a plant for industrial and medical gases near Tripoli. It will produce oxygen, nitrogen, argon, nitrous oxide and acetylene and will have a 2,000 kV power plant and a closed-circuit water cooling system. The plant will be the Jamahiriya's second. In January last year the Light Industry Secretariat signed a contract with an undisclosed foreign firm for a similar plant in Benghazi with a daily output of 100 cubic metres of oxygen, 30 cubic metres of acetylene, 60 cubic metres of liquid oxygen and 20 cubic metres of nitrous oxide.  
[Text] [London JAMAHIRIYA REVIEW in English No 26, Jul 82 p 19]

CSO: 4500/260

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

BRIEFS

LEADER MEETS PALESTINIAN OFFICIALS--Brother 'Ali Nasir Muhammad, secretary general of the Central Committee and chairman of the Presidium of the People's Supreme Assembly and of the Council of Ministers, has expressed Democratic Yemen's pride in the steadfastness of the Palestinian resistance and the Lebanese people's forces in the face of the Zionist invasion of the Lebanese territories and U.S. imperialist designs. He said this during his meeting this morning at the Presidium Secretariat with Brothers Yasin (Matuk), representative of the Palestine Liberation Front, and Husayn 'Abd al-'Aziz, representative of the Popular Front for the Liberation of Palestine. The brother secretary general reaffirmed Democratic Yemen's stand on the joint struggle being waged by the Lebanese and Palestinian peoples to rout the Zionist invasion forces and ensure the national sovereignty of the brotherly people of Lebanon and enable the Palestinian people to determine their destiny and build their independent state on their own land under the leadership of the Palestine Liberation Organization. Relations of militant cooperation between the Yemeni and Palestinian peoples and developments of the situation in the Lebanese arena were also discussed during the meeting. [Text] [EA251642 Aden Domestic Service in Arabic 1230 GMT 25 Jul 82]

MEETING WITH SOVIET EMBASSY OFFICIAL--Aden, 26 Jul (ANA)--Brother 'Ali Nasir Muhammad, general secretary of the Central Committee, president of the Presidium of the Supreme People's Council and chairman of the Council of Ministers, received a message from Soviet leaders during his meeting at his office this morning with the charge d'affaires of the Soviet Embassy in Aden. ANA has learned that during the meeting the secretary was acquainted with the proposals put forward by Comrade Leonid Brezhnev, the Soviet Union's party and state leader, concerning the situation in the Middle East. He listened to the charge's detailed report on these proposals and on the international efforts being exerted in order to get the Zionist aggressors to withdraw from Lebanon and to secure the inalienable legitimate rights of the Palestinian Arab people under the leadership of the PLO, including their right to return, their right to self-determination and their right to build their independent national state. The brother general secretary appreciated the principled stand taken by the friendly Soviet Union with the Palestinian Arab people, the Lebanese national movement and the Arab peoples in confronting the Zionist aggressions and the imperialist threats. He also expressed his satisfaction with the support the people and government of the Soviet Union are giving to the peoples of our Arab nation. The meeting was attended by Brother Dr 'Abd al-'Aziz al-Dali, secretary of the Central Committee. [Text] [LD261648 Aden ANA in Arabic 1400 GMT 26 Jul 82]

CSO: 4400/411

SAUDI ARABIA

INFORMATION MINISTER DISCUSSES DOMESTIC POLICY

LD031354 Riyadh SPA in English 1220 GMT 3 Aug 82

[Text] Jidda, Aug 3 (SPA)--Saudi Information Minister Dr Muhammad 'Abduh Yamani today outlined Saudi Arabia's general policy and called on the citizens to shoulder their responsibilities in the interest of the country's development and progress.

In an interview with AL-MADINAH, published here, Dr Yamani said a comprehensive working programme endorsed by King Fahd was directed towards a fair distribution of development projects to "include every village and hamlet in the kingdom."

He discussed at length King Fahd's Al-Fitr Feast address which clearly set guidelines for the kingdom's domestic and foreign policies.

The information minister hailed King Fahd's concern to develop manpower, ensure welfare and provide training facilities to realise the Saudi people's "aspirations and hopes."

Dr Yamani highlighted the kingdom's decision to spend more on the spread of education throughout the kingdom and lauded the positive contribution of the kingdom's universities, schools and technical institutes in preparing and training the Saudi youth to play a constructive role in the country's development process.

He noted that Saudi Arabia had covered a long way in the industrialisation of the country to boost its national economy and diversify its income.

Dr Yamani referred to the kingdom's liberal policy and efforts to encourage national industries and protect them against foreign competition.

He said the Saudi industrial development fund offered long-term and free-of-interest loans to industrial projects under construction or to those industries which required modernisation.

Dr Yamani praised the government's interest in developing agriculture in the country and its keenness to achieve self-sufficiency in food grains and other agricultural products.

He said the government was offering liberal subsidies to farmers and date palm growers.

The information minister said to ensure a green revolution in the kingdom, the government had dug hundreds of wells, built dams and macadamized thousands of kilometers of roads.

He lauded the government's trade policy which he said had effectively helped in making available foodstuffs at moderate prices.

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SAUDI ARABIA

BRIEFS

SILVER REFINERIES--India's Royal Corporation is to set up three silver refineries in Saudi Arabia in a venture financed privately by Saudi businessmen, according to a recent from New Delhi. The Indian firm will supply equipment and technical expertise for the refineries, to be located at Riyadh, Jeddah and Dammam. It will also manage the SR75 million (\$21 million) project under a 10-year programme. The scheme envisages the extraction of about 75 kilograms of silver a day at each refinery from silver compound solutions to be collected from hospitals and photographic studios. The plants are expected to start operations in the next 12 months. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 25, 26 Jul 82 p 9]

HELP FOR MALAYSIAN ISLAMIC BANK--Saudi Arabia will assist Malaysia in its project to set up an Islamic Bank in Kuala Lumpur next year, although a Malaysian official has said there are no indications that his assistance will take the form of Saudi investment in the bank. The new bank, which will have a paid-up capital of \$50 million and an authorised capital of \$250 million, will operate as a commercial bank. However, it will not offer interest on deposits or charge interest on loans, in accordance with Islamic precepts. Depositors and investors will get a share of the profits and will also bear any losses. While based on Islamic ideas concerning economy and banking, the bank will be open to Muslims and non-Muslims alike. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 25, 26 Jul 82 p 12]

CSO: 4400/405

NUMAYRI DISCUSSES SITUATIONS IN LEBANON, CHAD

Khartoum SUNA in English No 4186, 12 Jul 82 pp 3-8

[Text] Alexandria, July 12 (SUNA)--In a statement to the Egyptian Akhbar Al Youm, to be published in Cairo today, President Nimeri said he had, for a long time, been expecting events to take the course they are taking now in Lebanon and that he had been calling for the restoration of Arab solidarity and for the rejection of slogans that could not lead to any positive results.

He said he had always maintained the belief that rejectionism, as such, would invoke lots of trouble on the Arabs and that the adoption of alien ideologies was capable of destroying Arab Solidarity.

Unfortunately, he went on, the response of some Arab entities, like the Libyan and Syrian regimes, to these ideologies was far greater than their keenness to preserve the interests of the Arab nation.

I have frankly told all Arabs that the isolation of Egypt was detrimental to Arab solidarity and I have called for the mending of fences with Egypt as a measure for countering the pressing challenges, President Nimeri said.

He said that some Arab countries, inspired by their hatred to Egypt, had ignored the interests of the Arab peoples and accordingly turned a deaf ear to my warning that a conspiracy was being brewed against the Palestinian resistance in Lebanon.

He said these countries had continued their bargaining and empty slogans and when the Israeli boats were pushed to Lebanon they cooled down and avoided confrontation with Israel.

Asked about the lessons that could be learnt from the Israeli invasion of Lebanon, President Nimeri said that the Palestinians had a good chance to resolve their problem if they accepted the Camp David formula and started negotiations with Israel within that accord. If they did that, President Nimeri said, they could have avoided troubles they are in now.

Secondly, he said, the PLO had been subject of pressures from Arab and non-Arab parties, particularly Syria, to maintain the rejection line.

He said that Syria, which had always said that its forces in Lebanon were for the protection of the Palestinian resistance and the Lebanese people, had collapsed from the first Israeli blow and declined to take part in any battles to protect Lebanon and the Palestinians despite the tremendous financial aid it received from the Arab countries. This Syrian position, he said, was no surprise to those who had a close knowledge of the situation.

It is now very clear that the Syrian presence in Lebanon was prompted by a Syrian desire to expand its territories and have a say in the Arab world affairs, the President noted.

The Israelis have easily managed to destroy the Syrian missiles and tanks and capture vital positions and they have utilized the negative Syrian stand to hit hard against Lebanon and the Palestinian resistance converting Lebanon into a heap of rubble and they are now trying to destroy any future political significance of the PLO, he further said.

He said Syria was blatantly conspiring against the Palestinians and that the Syrian army had let the Palestinians face the Israeli invasion all by themselves.

The President questioned the viability of Syria's rejection of a peaceful solution since it also does not want to go to war and came to the conclusion that steadfastness and confrontation, to the Syrians, meant steadfastness against Egypt and confrontation of Egypt.

He also drew the conclusion that leaders who rule their nations by fire and terrorism were doomed to fail and get defeated.

The President expressed confidence that the Palestinian cause would not die or diminish in spite of what had happened and said that defeat in a battle should not deprive the resistance of its fertility.

He said that the Palestinian resistance, though defeated at the present, was doomed to attain all its rights and that the disarmament of the Palestinians and their evacuation from Lebanon could not resolve the problem and could not restore stability to the region.

The President said that the Israeli illusion that its fierce fighting against the Palestinians would exterminate this people was unfounded and would not force the Palestinians to accept the Israeli conditions.

Israel could tame the Palestinians for a while but not forever, he said adding that the Israeli arrogance could lead the region to an obscure future and would never realize the Israeli aspirations.

He said that wrath could be stored and could not fade particularly if we understand that the entire world believes in the justice of the Palestinian cause.

President Nimeri further said that Egypt's endeavours to find a solution for the crisis were enough proof that it was more keen to preserve Arab rights and interests.

He called for Egypt to become leader of all Arab attempts to resolve the matter. In fact, he said, if the Palestinians had been ready to listen to Egypt's call for negotiations with Israel they could have found themselves in a far better position.

The President said the Palestinian resistance should free itself from alliances and obligations and liberate its will power and adhere to the spirit of struggle and high morale.

He criticized the leaderships of Syria and Libya "who had preferred slogans to action" and called for stronger and healthier leaderships in those countries.

President Nimeri called for the Arab masses to be given the liberty to express their hopes and said that Arab regimes should refrain from interfering in internal affairs of other countries and referred in this respect to the Syrians' allegations that their forces in Lebanon were operating under the umbrella of the Arab league and for the protection of Lebanon while it has been proved that they were incapable of defending Lebanon.

The President said he did not approve of holding an Arab summit at present because it will only be an angry reaction and would not entail careful and wise action.

He said such a summit should have been held at an earlier time to work out a plain Arab strategy and said that for such summits to succeed they should reach specific results emanating from the Arab will power.

In reply to another question the President said boycott of some super powers for their position towards the Israeli invasion of Lebanon was useless and would not solve any problem.

He said positive confrontation was a far better strategy and further stated that he felt that superpowers seem to agree that war in Lebanon would rid the region from some of its problems.

He said Arabs should try to prove that such a belief was wrong and they should continue to keep a moderate and more neutral policy.

On the situation in Chad President Nimeri said that Sudan had always called for allowing the Chadians to determine their fate and that was why we resisted the Libyan intervention in Chad.

We have always called for a peaceful settlement to the Chadian question but former President Goukouni Weddeye had refused to accept that, he said.

He said that Husseine Habre had demonstrated a spirit of good will and had called for national reconciliation in Chad and that such an overture should be supported.

The President called for neighbouring countries to abstain from interfering in Chad particularly Libya.

As regards the forthcoming OAU summit President Nimeri said he would not attend that conference if it was held in Libya because of Qaddafi's subversive role in Africa and because the OAU previous summit's recommendation to hold the conference in Libya was not unanimous and was not ever approved by the majority of African states.

He said that some African countries believe that voting on this issue was not democratic and that is why many countries will not attend it while some other countries will send ordinary-level delegations.

The President said Qaddafi's chairmanship of the OAU was of no significance and that he will have nothing to do but conspire as did the OAU Secretary General when he allowed the Polisario to enter the OAU.

He said Qaddafi wanted to utilize the OAU for serving some superpowers interests and that would harm the Organization.

The President said Qaddafi was racist and had formed an army to invade some countries and establish his empire.

President Nimeri commended Iraq's decision to stop fighting and withdraw its forces from Iran and said that was a wise way of tackling the problem.

He said Arab and Islamic powers should be conserved and should be directed for serving interests of these nations.

On Sudanese-Egyptian integration President Nimeri said the few coming days would witness important steps to be taken for accelerating this policy.

He said he and President Mubarak would discuss measures capable of stepping up the integration process.

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BRIEFS

**SUDAN-NETHERLANDS COOPERATION--Khartoum, July 13 (SUNA)--**Vice-President Joseph Lagu received at his office yesterday morning the Dutch Charge d'Affaires to Khartoum H.E. Mr. I. M. de Jong. Mr. de Jong congratulated Lagu for assuming his new office and the meeting further reviewed the progress of work in the roads and agricultural projects to which the Netherlands is contributing in the Southern Region. It is worth noting that the Dutch aid to the Sudan for 1982 amounted to 76 million guilders (about \$3 million) out of which 17 million guilders were earmarked for the Southern Region. [Text] [Khartoum SUNA in English No 4185, 13 Jul 82 p 1]

**SUDANESE BELGIAN SCHOOL--Khartoum, July 14 (SUNA)--**Lessons at the Sudanese-Belgian School here will start as from the academic year 1982/83. Some 90 students will enroll in the school's three specializations as a first batch. The School will train technical education teachers. Six Belgian experts will teach at the school along with a number of Sudanese teachers who received training in Belgium. The School was established according to an agreement signed in 1979 within the Sudanese Belgian Cooperation. [Text] [Khartoum SUNA in English No 4186, 14 Jul 82 p 5]

**POPULAR DEVELOPMENT BANK--Khartoum, July 14 (SUNA)--**Finance and Economic Planning Minister Ibrahim Moneim Mansour [Ibrahim Mun'im Mansur] will open in the next few days the National Bank for Popular Development, SUNA learnt. The Bank was founded in May 18th at an authorized capital of ten million pounds. Ten million shares will be distributed to the public of ten pounds for each. [Text] [Khartoum SUNA in English No 4186, 14 Jul 82 p 5]

**WELLS, HAFEERS--**The Central Region Minister of Construction, Housing and Public Utilities, Mohamed Abdel-Karim Assakir [Muhammad 'Abd-al-Karim 'Asakir], directed the area councils to start setting programmes for wells and Hafeers digging for new year. These important programmes should be consolidated by raising fees rates on some commodities and crops and by fulfillment of the councils, share payments, he said to executive officers of the area councils. [Text] [Khartoum SUNA in English No 4191, 19 Jul 82 p 5]

**AL-ESAILAT PRODUCTION COMPANY--**A company will be established at El Essailat [al-Esailat] area for the production of poultry, milk, vegetables and fruits. The LS 1 million company will herald the popular development projects in Sudan, said SSU popular Development committee Izz Eddin El Sayed ['Izz-al-Din al-Sayyid]. [Text] [Khartoum SUNA in English No 4187, 15 Jul 82 p 9]

ELECTRICITY STATIONS--Some LS 77 million was earmarked for electricity projects in the development budget of fiscal 1982/83, SUNA learnt. Power III project comes as the most important one which is designed to boost the Blue Nile Electricity network. Other projects include the establishment of electricity stations in Dongola, Shendi, El Fasher [al-Fashir], Wau [Waw] Kassala, Port Sudan, Nyala and Zalengi [Zalingei]. [Text] [Khartoum SUNA in English No 4187, 15 Jul 82 p 8]

GUM ARABIC BELT--El Obeid, July 15 (SUNA)--Work has started on the 2nd phase of the gum Arabic belt rehabilitation project, authoritative sources said. Some 1.5 million hashab trees have been prepared for planting during the phase which will be completed in 1983. Equipment and automobiles have also been fetched. The projects total area amounts to 27,000 feddans; the project is being financed by FAO and will be finalized in 1984. [Text] [Khartoum SUNA in English No 4187, 15 Jul 82 p 4]

POPULAR DEVELOPMENT--El Axandria, July 15 (SUNA)--Eng. Osman Ahmed Osman ['Uthman Ahmad 'Uthman], President of the Popular Development Committee of the Egyptian National Democratic Party called on President Nimeri [Numayri] here yesterday. Following the meeting Osman ['Uthman] announced that he briefed the President on the five projects to be launched in the Sudan and will be financed by the National Bank for Popular Development. Sudan has approved the establishment of the Sudanese-Arab-International Company for Investment and Agro-Industry whose capital will reach \$300 million, he said. Elaborating on the company's work, he said it would centre on land reclamation, agro-industry, livestock, poultry, vegetables and horticulture. [Text] [Khartoum SUNA in English No 4187, 15 Jul 82 p 6]

FOREIGN EXCHANGE REGULATING MEASURES--Khartoum, July 9 (SUNA)--A reliable source in the Bank of Sudan said the measures taken during the past two days were meant to determine the sums of foreign exchange allowed to be carried by people resident in Sudan or those departing or arriving. The measures also aimed at stopping unlicensed dealings in foreign exchange in order to process those dealings through the official channels such as banks and exchange offices, the source added. Starting from July 5 to July 18, which is a period of grace, any exchange office is allowed to buy foreign exchange not exceeding \$3000 (or its equivalent) without being obliged to reveal the issue any source but as from July 19 all authorized exchange offices must ask customers to declare the source of any foreign exchange, said the source. On the other hand, SUNA learnt that during May 15-28 the sums of foreign exchange declared by arrivals at Khartoum Airport were \$10,247,677, 305,815 Sterling pounds, 5,097,409 Saudi Riyals, 13,341 French Francs, 67,150 Deutsche Marks and 32,220 Dirhim. The sums declared by departures during the same period were: \$8,154,709 plus 50,176 sterling pounds, 6,760,244 Saudi Riyals, 10,010 French Francs, 69,760 Deutsche Marks, 26,944 Dirhim (Emirates), 1,887,800 Italian Lires, 13,400 Belgian francs, 11,000,000 African francs and 22,250 Greek Drachmas. [Text] [Khartoum SUNA in English No 4182, 9 Jul 82 p 2]

TOMBURA ON HEC POLICY--Khartoum, July 10 (SUNA)--Elaborating on the general policy of his government, the President of the new High Executive Council (H.E.C.) of the Southern Region James Joseph Tombura announced that infrastructure and the provision of essential services are the cited priorities. "One of the first things I requested from the President of the Republic was a team of auditors to come and close the accounts of the Region so that we can start anew. The auditors may also help us to know the exact total amount of money put into the region and the development appropriation since the inception of Regional Government," he said. On the reasons behind the emphasis on decentralization, he said the aim was to give power to the people so that local people from the grassroots may participate in power-sharing, within the context of decentralization guidelines laid down by the May Revolution. Asked whether the question of re-division has been totally abandoned, he said if the decentralization process was accomplished satisfactorily, people could judge whether re-division was still necessary or not. Commenting on tribal representation in his cabinet, he said tribal and ethnic considerations play a great role in the politics of developing countries contrary to what happens in developed countries where qualities have the upper hand. [Text] [Khartoum SUNA in English No 4182, 9 Jul 82 p 1]

SLAKED LIME FACTORY--Khartoum, July 7 (SUNA)--The Sudanese-Egyptian Mining Company has begun conducting feasibility studies for a slaked lime factory project in Rabak area, SUNA learnt. The project aims at producing 8,000 tonnes of slaked lime to meet the needs of the sugar factories which used to import the material, said an official source in the company. The project will be implemented by the sugar companies in collaboration with Rabak Cement Factory, the source added. [Text] [Khartoum SUNA in English No 4182, 9 Jul 82 p 2]

SUDANESE-EGYPTIAN MINING COMPANY--Khartoum, July 17 (SUNA)--The Board of Directors of the Sudanese-Egyptian Mining Company convenes in Cairo early next August, SUNA learnt. The meeting will discuss the process of work in the Company's projects between March and the close of July. It will also discuss the paying of the second instalment of the company's capital which amounts to LS. 450,000 in local currency plus another 450,000 pounds in foreign exchange. Last year the two countries paid the first instalment when Sudan contributed 540,000 pounds while Egypt put in 240,000 pounds of the company's six million-pounds capital. [Text] [Khartoum SUNA in English No 4189, 17 Jul 82 p 1]

OFFICIALS SWORN IN--James Sorour [Surur] the Chairman of the Southern Region's Peoples Assembly SSU group, Abde Latif Showl ['Abd-al-Latif Showl] and Gasim [Qasim] Koriang deputies of the SSU group Chairman and Richard Mukabi the deputy controller of the Regional People's Assembly were sworn in here yesterday morning before the President of the H.E.C. of the Southern Region Joseph Tombura. [Text] [Khartoum SUNA in English No 4189, 17 Jul 82 p 3]

COOPERATIVE COMPLEX--The Central Region Finance Minister has agreed to establish a cooperative complex for consumption commodities at Rabak with a capital of L.s. 100,000, the chairman of Rabak area council said. He said construction of a sugar store is also planned at Rabak. [Text] [Khartoum SUNA in English No 4188, 16 Jul 82 p 9]

WILDLIFE CONSERVATION--Khartoum, July 16 (SUNA)--The First Vice-President Omer Mohamed Al Tayeb ['Umar Muhammad al-Tayyib] yesterday decreed the endorsement of an agreement on the combat of poachery and the conservation of wild life between the Sudan and the Republic of Central Africa. The agreement was signed between the two countries in Khartoum on February 4, 1982. The two countries agreed to establish forces and strategic surveillance points at the borders of each country and to exchange information to fight poachery. [Text] [Khartoum SUNA in English No 4188, 16 Jul 82 pp 5, 6]

RAILWAYS CONFERENCE--Khartoum, July 16 (SUNA)--The conference discussing railways corporation problems continued sessions here yesterday at the SSU meeting hall under the chairmanship of Transport Minister Khalid Hassan Abbas [Khalid Hasan 'Abbas]. The deputy Chairman of the Egyptian railway board, Engineer Al Shirgawi [al-Sharqawi] was also present in yesterday's session. Al Shirgawi arrived here to take part in the conference. Some speakers in the session ascribed the corporation's problems to the fact that railway workers at various level have no distinct vision to the corporation's targets. Others said the major reason for the problems lies in the shortage in spare parts and insufficient funds allotted for the corporation. Most of the speakers agreed on the necessity of reorganizing the corporation's administration and making a clear-cut definition of the relationship between the different sections of the corporation. Al Shirgawi spoke at the end of the session and stressed the vitality of railways in the developing countries, particularly in a vast country like the Sudan where there are only few highways. The session ended up by forming six committees to study the problems in the different sectors of the corporation. The committees are due to start meetings as from Saturday July 17. [Text] [Khartoum SUNA in English No 4188, 16 Jul 82 p 4]

AGREEMENT WITH MITSUBISHI--Khartoum, July 2 (SUNA)--An agreement for the importation of electricity generators was signed yesterday morning between the National Electricity Corporation's Director-General Mohamed Nasr Abu Bakr [Muhammad Nasr Abu-Bakr] and Mr. Takanu, the Middle East Director of the Japanese Company "MITSUBISHI" in the presence of the Japanese Charge d'Affaires here. In a statement following the signature of the agreement, Abu Bakr said that the generators in question would be used in securing the electricity supplies needed by water stations in Khartoum Province at times of emergency. He also hoped that the agreement would signal the beginning of further cooperation between the two signatories. Speaking on the occasion, the Japanese Charge d'Affaires here expressed pleasure for the existing cooperation between his country and the Sudan. He also hoped that the deal would contribute towards the improvement of the electricity and water services in Khartoum Province. The said generators are to be imported from Japan against a two million dollars grant from the Japanese Government to the Sudan. [Text] [Khartoum SUNA in English No 4174, 2 Jul 82 p 1]

SOUTHERN REGION APPOINTMENTS--Juba, July 14 (SUNA)--Speaker of the southern region People's Assembly Mathew Ayor announced here yesterday morning the following appointments of the Assembly's specialized committees' chairmen:  
1) Major Arap Toon, Chairman of the Security and Public Order Committee.  
2) Amato Andrea Gore, Chairman of the Legislations and Legal Affairs

Committee. 3) Joseph Makier Mathiang, Chairman of the Members' Affairs Committee. 4) Taaban Lolik, Chairman of the Culture and Information Committee. 5) Suzana Eba, Chairperson of the Social Welfare Committee. 6) Alfred Maywen Kol, Chairman of the Natural Resources Committee. 7) Peter Kor, Chairman of the Public Service and Administration Committee. 8) Caesar Baya, Chairman of the Development and Economy Committee. 9) Izak Mabier, Assembly Controller as Chairman of the Administrative Control Committee. 10) The Assembly Deputy Speaker as member of the Administrative Control Committee. The Speaker will chair the Assembly's Working Agenda Committee. [Text] [Khartoum SUNA in English No 4186, 14 Jul 82 p 3]

CSO: 4500/263

UNITED ARAB EMIRATES

BRIEFS

**SWEDEN TO OPEN EMBASSY**--Sweden will open a new embassy in Abu Dhabi in the United Arab Emirates at the end of the year. The opening of the new embassy is part of the Foreign Ministry's endeavors to strengthen official surveillance of the politically and economically important areas in the Middle East. Last year an embassy was opened in the Jordanian capital Amman. The United Arab Emirates is one of Sweden's 25 most important suppliers. Sweden buys chiefly oil from the emirates. Swedish exports to the United Arab Emirates are growing fast and are expected to total 300 million kronor this year. The emirates' comprehensive development plans offer good chances for Swedish companies. The United Arab Emirates consist of seven emirates and have a total population of around 1 million inhabitants. The chief of the new embassy will be embassy counsellor Bengt Lundborg, whose immediate superior will be the Swedish ambassador in Kuwait. [Text] [PM041311 Stockholm DAGENS NYHETER in Swedish 31 Jul 82 p 7]

**STUDENT UNION INAUGURATED**--The minister of labour and social affairs in the UAE, Mr Sayf al-Jarwan, who is also acting minister of education, made history this week when he opened the first official meeting of the UAE Students' Union. The meeting, attended by about 200 students drawn mainly from the UAE university at al-'Ayn, was held in the council chamber at Dubayy municipality. Mr Jarwan told the meeting: "You all carry an immense responsibility, since it is you who are building the foundations of the student movement in our country." He said that the very fact that such a meeting took place clearly demonstrated the freedom and democracy enjoyed by the people of the UAE. And although the union was in its infancy, it nonetheless constituted one of the cornerstones upon which democratic bodies were established. He urged students across the country to take an active part in national affairs, since it was they who would help steer the country through the years ahead. [Excerpt] [GF080540 Manama GULF MIRROR in English 7 Aug 82 p 3]

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